2012 ANNUAL REPORT

The Regional Municipality of York, Ontario, Canada
for the year ended December 31, 2012

York Region

2012 ANNUAL REPORT

The Regional Municipality of York, Ontario, Canada
For the year ended December 31, 2012

Prepared by the Office of the Chief Administrative Officer
and the Finance Department

York Region

Vision, Mission & Values

OUR VISION

Creating strong, caring, safe communities.

OUR MISSION

York Region staff are committed to providing cost effective, quality services that respond to the needs of our rapidly growing communities.

OUR VALUES

York Region will provide services to the residents and visitors of York Region while embracing the following values:

Integrity
Commitment
Accountability
Respect
Excellence

Table of Contents

Introduction:

York Regional Council 6

Message from the Chairman and CEO 8

Message from the Chief Administrative Officer 9

York Region at a glance 10

York Region economic profile 12

Community and Health Services Committee 14

Finance and Administration Committee 16

Planning and Economic Development Committee 18

York Region Rapid Transit Corporation Board of Directors 20

Environmental Services Committee 22

Transportation Services Committee 24

York Regional Police Services Board 26

York Regional Police 28

2012 Awards and Highlights 30

2012 Financial Statements:

Table of Contents 32

Treasurer's Report 33

Financial Statements 45

Statistical Review 70

THE REGIONAL MUNICIPALITY OF YORK

2012 Council

One of six Regional governments in Ontario, The Regional Municipality of York is an upper-tier municipal government that provides common programs and services for the residents and businesses of nine local municipalities. The local municipalities are represented by their Mayors and Regional Councillors on Regional Council.

YORK REGION CHAIRMAN AND COUNCIL

The 21-member Regional Council sets the policies, direction and budgets for York Region through a committee and council system comprised of the following principal bodies:

- Audit Committee
- Community and Health Services Committee
- Finance and Administration Committee
- Planning and Economic Development Committee
- Environmental Services Committee
- Transportation Services Committee
- Rapid Transit Corporation Board of Directors
- York Regional Police Services Board

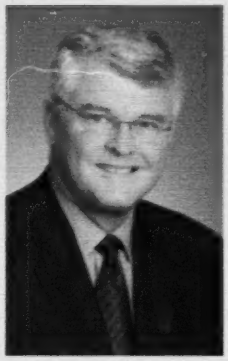
CHIEF ADMINISTRATIVE OFFICER (CAO)

The CAO oversees a senior management team that is responsible for providing programs and services to residents and businesses, in addition to financial, technical, property, legal, administrative and human resource services. The following positions are part of the senior team:

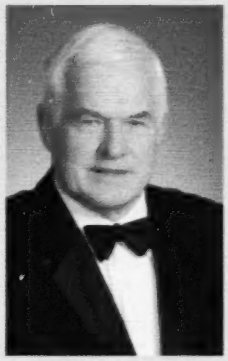
- Commissioner of Community and Health Services
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Transportation and Community Planning
- Executive Director, Corporate and Strategic Planning
- Medical Officer of Health

Bill Fisch
York Region Chairman and CEO

Mayor Geoffrey Dawe
Town of Aurora



Regional Councillor
Jack Heath
City of Markham

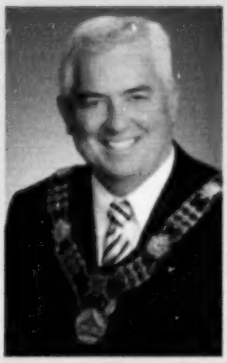


Regional Councillor
Jim Jones
City of Markham

Regional Councillor
Vito Spatafora
Town of Richmond Hill

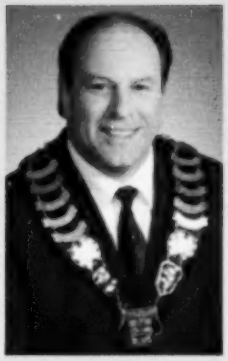
Regional Councillor
Brenda Hogg
Town of Richmond Hill

Mayor Virginia Hackson
Town of East Gwillimbury

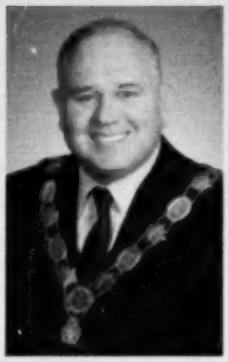


Mayor Robert Grossi
Town of Georgina

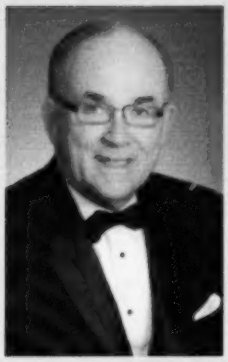
Regional Councillor
Danny Wheeler
Town of Georgina



Mayor Steve Pellegrini
Township of King



Mayor Frank Scarpitti
City of Markham

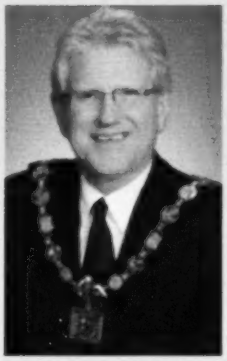


Regional Councillor
Gordon Landon
City of Markham

Regional Councillor
Joe Li
City of Markham

Mayor Tony Van Bynen
Town of Newmarket

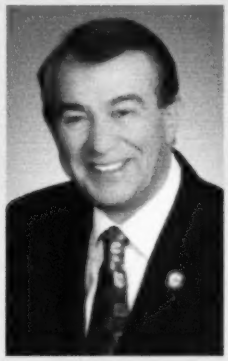
Regional Councillor
John Taylor
Town of Newmarket



Mayor David Barrow
Town of Richmond Hill

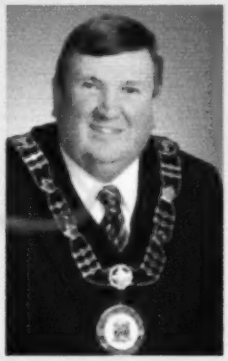
Mayor Maurizio Bevilacqua
City of Vaughan

Regional Councillor
Gino Rosati
City of Vaughan



Regional Councillor
Michael Di Biase
City of Vaughan

Regional Councillor
Deb Schulte
City of Vaughan



Mayor Wayne Emmerson
Town of
Whitchurch-Stouffville

THE REGIONAL MUNICIPALITY OF YORK

Chairman and CEO

The 2012 Annual Report for The Regional Municipality of York presents the dollars invested in the programs and services we delivered. Behind the numbers, we have an exciting story to tell as a Regional government that is ***progressive, supportive, collaborative and competitive.***

YORK REGION DELIVERS ON PROVINCIAL MANDATE TO GROW

Ontario's *Places to Grow* legislation, which established a comprehensive growth strategy for the Greater Toronto Area (GTA) and Golden Horseshoe, set an expectation for York Region to grow to more than 1.5 million people by 2031. Adding 400,000 people during the coming two decades will be equivalent to adding a city larger than either Halifax or Victoria.

We are ***progressive***, managing growth appropriately. We are putting in place critical infrastructure, such as water supply and sewers, arterial roads and public transit. Water and sewers are the most expensive infrastructure and need to be in the ground well in advance of any building activity.

At the same time, we are providing ***supportive*** programs and services to create strong, caring and safe communities for our residents.

Our undertakings are typically large and complex, requiring a tremendous amount of ***collaborative*** work on the part of our partners, stakeholders, residents, businesses and staff.

The sum of our efforts is vital to our sustainability. We are ***competitive*** as a community that offers a high quality of life. Our forests and water resources are protected, our communities are safe and livable and our economy is vibrant and growing. As a result, our Region attracts new residents, innovative entrepreneurs and investors.

WE TOOK STEPS TO FURTHER STRENGTHEN OUR ECONOMIC COMPETITIVENESS

Our goal is to facilitate the creation of 280,000 jobs in the Region by 2031. Our 2012 efforts include an update to our Economic Action Plan. We enhanced our Investment Attraction program to provide direct service to prospective investors. Our manufacturing innovation project provided a guide to encourage innovation and assist manufacturers in competing globally. We also invested in a web-based service to monitor job postings to identify businesses and sectors that are emerging, growing or declining. This helps pinpoint and address employment trends and to facilitate the development of needed training programs.

WORK IS UNDERWAY TO DEVELOP AN "INNOVATION NETWORK"

Regional prosperity will depend upon the support and development of creative people, companies and institutions in York Region that make up our local innovation network.

Over recent years, three knowledge-based sectors - information and communications technology (ICT), life sciences and business and professional services - have been among the fastest-growing sectors in the Regional economy, and expansion is expected to continue.

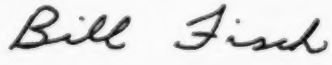
The Economic Development Action Plan will identify, map, connect and support this innovation network and promote the development of new assets, including companies and people.

LEVERAGING PROSPERITY TO SUSTAIN A HIGH QUALITY OF LIFE

An ongoing priority of York Region is to manage the Region's finances prudently. I am proud to say we have a forward-looking capital asset replacement strategy that will enable future generations to better afford the replacement costs of our current infrastructure. It also helps us sustain top credit ratings, which, in turn, allow the Region to finance debt at the lowest possible interest rates.

We believe that being competitive, both economically and financially, is vital to sustaining our quality of life.

We can be proud of our achievements during 2012 that are summarized in this report. Our story in 2012 has continued to be very positive and promises to remain favourable for years to come.



Bill Fisch
Chairman and Chief Executive Officer
The Regional Municipality of York

THE REGIONAL MUNICIPALITY OF YORK

Chief Administrative Officer

In 2012, The Regional Municipality of York completed its first full year of operation with the 2011 to 2015 Strategic Plan in place. We delivered effective programs and services throughout 2012 to meet the needs of our growing communities.

IMPROVED TRANSPORTATION AND TRANSIT NETWORKS

To address the number one concern of our residents — traffic congestion — we continued to make our transportation system as intelligent as possible by coordinating traffic signals and giving priority where it is needed. We reduced the average travel time during morning and evening rush hours by 30 and 25 per cent respectively, and the average Viva transit travel time by 24 per cent. We improved the safety of motorcyclists and scooter riders by placing them in the right lane and creating consistency for the types of vehicles permitted on Transit/HOV lanes travelling between York Region and the City of Toronto.

In 2012, a record 22-million riders used YRT/Viva. We began work on Council's five-year service plan for transit development to match service levels with demand, improve on-time service and prepare for integration with future rapid transit.

FOCUSED GROWTH IN CENTRES AND CORRIDORS

York Region commenced a bold, streetscape vision along Yonge Street and contributed to two projects in the Town of Georgina and one in the City of Vaughan to create safe, attractive, pedestrian-friendly streets for residents. We consulted residents on a policy for developing new communities in a sustainable way.

MAINTAINED OUR HEALTHY ENVIRONMENT

York Region delivered $500 million in new water and wastewater infrastructure capital projects. We increased forests and tree cover by planting 99,000 trees and shrubs and rehabilitated 66 hectares of land. We identified a total of 175 hectares of land on the Oak Ridges Moraine, in the headwater regions of the Humber River and Rouge River watersheds in Richmond Hill, to protect and restore with our partners. Since 2001, our Greening Strategy has secured 973 hectares of land.

We reduced our carbon footprint in the delivery of services to Regional residents and businesses. Energy retrofits at Regional facilities over the past seven years are saving $500,000 annually. We also reduced electricity consumption within water and wastewater facilities by reducing pumping activities during peak hours. This program has reduced energy costs by about $1.3 million since 2006.

IMPROVED SOCIAL AND HEALTH SUPPORTS

In 2012, York Region provided child care fee assistance to a monthly average of 4,171 children, supporting education for children and employment for parents and provided early intervention services to 2,327 young children with developmental delays.

York Region delivered Ontario Works assistance to a monthly average of 6,000 cases and implemented a range of workforce initiatives to help participants find and keep employment.

In 2012, we facilitated the delivery of more than $5.5 million to fund projects approved by Regional Council to serve nearly 80,000 York Region residents in need. Regional Council also invested more than $420,000 to support new community agencies. Council also provided support to community partners, such as the Human Services Planning Board of York Region, who implemented 60 actions to support low and moderate income residents.

MADE SERVICES MORE USER-FRIENDLY

York Region adopted a corporate Accessibility Policy to make programs, goods, services and facilities more accessible for people with disabilities and completed 156 initiatives to reduce barriers and make the Region more inviting and inclusive for people with disabilities.

STRENGTHENED ORGANIZATIONAL CAPACITY

We shared York Region's 3D geographical information system visualization tools with public sector partners. We improved our environmental services practices and brought them in line with internationally-accepted standards such as ISO 14001 and ISO 9001.

In 2012, York Region benefited from excellent working relationships with Regional Council, partners, stakeholders, senior management and staff across all areas of our organization to deliver the infrastructure, programs and services that our communities need.

Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York

York Region at a Glance

During 2012, York Region grew by approximately 23,000 people, reaching an estimated population of 1,108,570. The average annual growth for the past 10 years (2003-2012) has been 29,825 people or 3.23 per cent per year.

York Region will continue to support growth and development, where water, wastewater and transportation infrastructure enables healthy communities to grow, residents to enjoy an attractive quality of life and businesses to prosper in a vibrant economy.

2012 BUDGET

In 2012, York Regional Council approved The Regional Municipality of York $2.8 billion Business Plan and Budget, which includes more than $1.2 billion in additional funding for capital projects and $1.6 billion to maintain and operate York Region services.

The 2012 budget provided our residents with high quality services meeting both current and future needs in areas such as transit infrastructure, community and health services, policing, water and wastewater and roads.

Since 2000, Standard & Poor's Rating Services and Moody's Investors Service have consistently awarded York Region a AAA/Aaa credit rating, allowing the Region to finance its debt at the lowest possible interest rates.

ESSENTIAL SERVICES

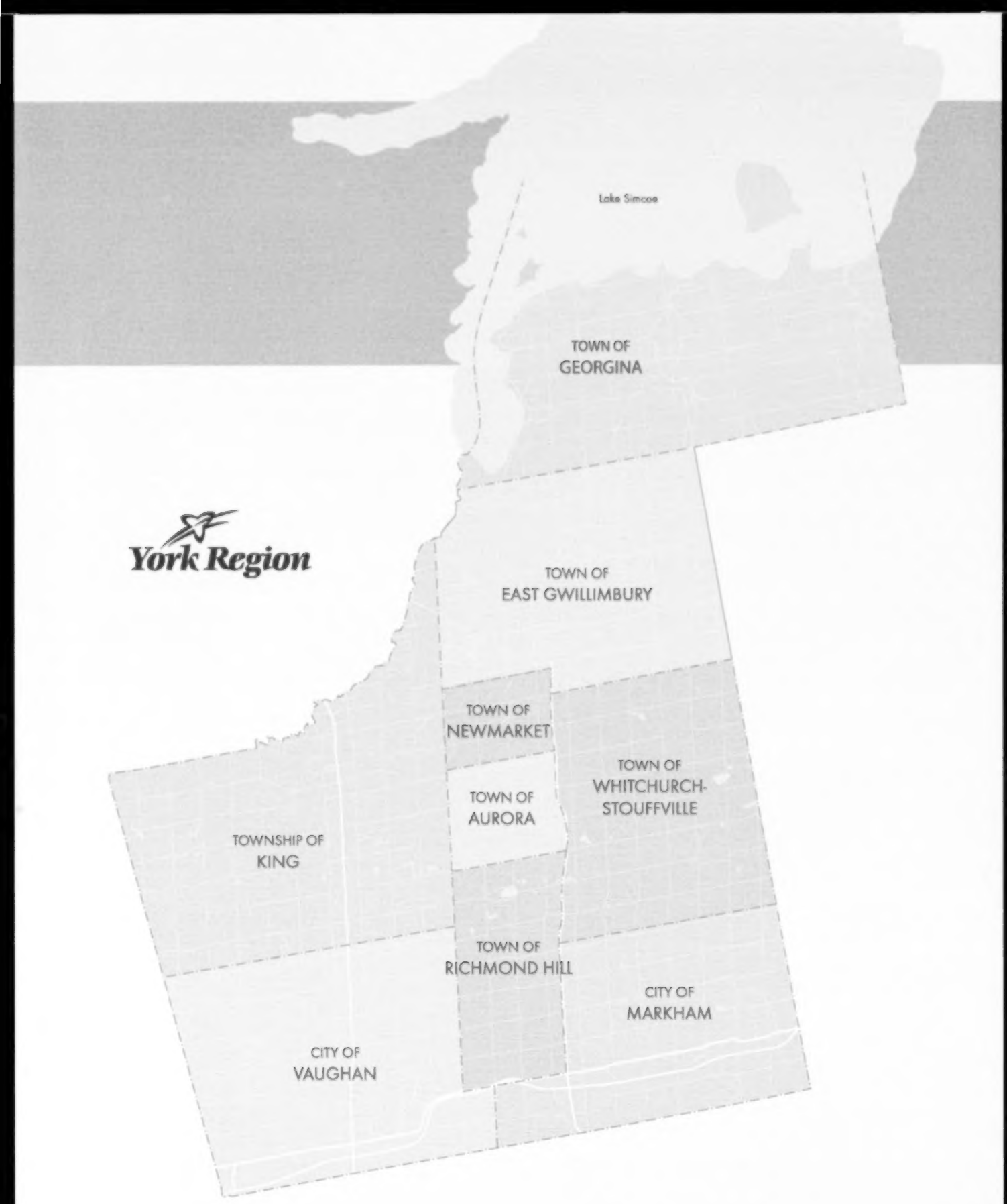
York Region provides many essential services to residents, businesses and visitors, including:

1. Court Services
2. Emergency Medical Services (EMS)
3. Family and Children's Services
4. Housing
5. Long Term Care
6. Planning and Economic Development
7. Police Services
8. Public Health
9. Regional Roads
10. Social Assistance
11. Solid Waste Management
12. Transit and Rapid Transit (YRT and Viva)
13. Water/Wastewater

THE NINE LOCAL MUNICIPALITIES IN YORK REGION

	POPULATION	WEBSITE
Town of Aurora	55,973	www.aurora.ca
Town of East Gwillimbury	24,646	www.eastgwillimbury.ca
Town of Georgina	47,207	www.georgina.ca
Township of King	22,435	www.king.ca
City of Markham	323,804	www.markham.ca
Town of Newmarket	86,304	www.newmarket.ca
Town of Richmond Hill	195,119	www.richmondhill.ca
City of Vaughan	311,218	www.vaughan.ca
Town of Whitchurch-Stouffville	41,864	www.townofws.com
The Regional Municipality of York	1,108,570	www.york.ca

Source: York Region Office of the CAO, Long Range Planning Branch, based on Statistics Canada data and Canada Mortgage and Housing Corporation housing data


Lake Simcoe
TOWN OF
GEORGINA
York Region
TOWN OF
EAST GWILLIMBURY
TOWN OF
NEWMARKET
TOWN OF
AURORA
TOWN OF
WHITCHURCH-
STOUFFVILLE
TOWNSHIP OF
KING
TOWN OF
RICHMOND HILL
CITY OF
MARKHAM
CITY OF
VAUGHAN

York Region Economic Profile

With a population of 1.1 million residents, The Regional Municipality of York is the third largest municipality in Ontario and the sixth largest in the country. With 42,000 businesses, York Region is Ontario's second-largest business centre.

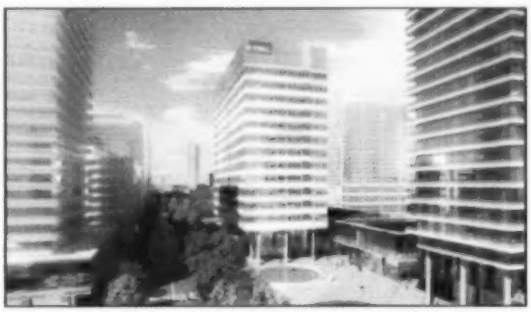
As Canada's fastest-growing large municipality, York Region is the third largest residential construction market in Canada after Vancouver and Toronto, based on the number of building permits.

York Region is Canada's second-largest information and communications technology (ICT) cluster.

With a gross domestic product larger than the amount produced by four Canadian provinces, York Region is a premiere business location in Canada.

The Region offers one of the most educated and diverse workforces in North America, the lowest commercial property taxes in the GTA and an exceptional quality of life that attracts top global talent.

York Region is home to the operations of 14 Fortune 100 companies, four of Canada's top 10 corporate R&D investors and global industry leaders in ICT, life sciences, clean tech, financial services and advanced manufacturing.



The first building in the Vaughan Metropolitan Centre will be a 300,000 square-foot office tower with KPMG as the lead tenant. When complete, 1,200 people will work in this KPMG tower, adjacent to the planned terminus of the Spadina-York subway line in the City of Vaughan.

YORK REGION'S KEY INDUSTRY SECTORS

INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)

Canada's second largest ICT cluster and number one on a per capita basis (Statistics Canada 2012)

3,700 local ICT firms including such names as Aastra, Alcatel Lucent, AMD, Avaya, CA Technologies, CGI, Compugen, Compuware, Flextronics, Huawei, IBM, Open Text, Oracle, Qualcomm, Redline Communications and TE

Home to IBM's largest software development lab outside the United States

Headquarters for three of Canada's top 10 ICT corporate R&D spenders (Re$earch Infosource 2012)

Highest per capita concentration of Canada's top 250 ICT firms (Branham 2012) and fastest-growing tech firms (Deloitte 2012)

LIFE SCIENCES

300 local bio-pharma, medical devices and healthcare technology firms

Part of North America's third largest life sciences cluster by sector employment

Home to Ontario's largest Local Health Integration Network (LHIN), serving 1.8 million residents

Home to industry leaders as Abbott, Alexion, Apotex, Cerner, J&J, Medical Olympus, PerkinElmer, Smiths Dräger and Teva

Home to three of Ontario's fastest growing hospitals: Mackenzie Health, Markham-Stouffville Hospital and Southlake Regional Health Centre

In October 2012, General Electric opened its Grid IQ Global Innovation Centre in the City of Markham. The $40 million state-of-the-art 200,000 square-foot facility will foster innovation and global collaboration to improve the world's electrical grids.

CLEAN TECHNOLOGY

Local 'Green Business' base of more than 400 companies and service providers

Global Smart Grid innovation hub - GE GridIQ R&D centre, IBM Energy & Utilities, Siemens, AEG Power Solutions and Sensus

Canada's second largest solar photovoltaic industry cluster (100 plus firms) including such names as SunEdison, Sungrow, Silicor, and Mitsubishi Electric

Home to PowerStream - Ontario's second largest municipally-owned local distribution company

Canada's largest industry cluster of Green Building products and technologies

Water Technology cluster led by Siemens Water Technologies, H2Flow, Napier Ried; over 20 other local firms specializing in wastewater and water treatment

FINANCIAL, BUSINESS AND INSURANCE SERVICES

Ontario's second largest financial services cluster after the City of Toronto - more than 1,500 firms locally (Statistics Canada)

Canadian headquarters or major divisional operations of Allstate, American Express, Bank of China, Ceridian, FedEx, HSBC, Scotiabank, State Farm, TD and UPS

ADVANCED MANUFACTURING

4,000 local manufacturers and more than 70,000 employees in manufacturing

Global headquarters of Magna International, North America's largest auto parts manufacturer

Location of choice for manufacturing operations of leading companies such as Flextronics, Royal Building Products, Rugged Com (Siemens), Showa, Teva and Protenergy

BUILDING AND CONSTRUCTION

$3.5 billion total construction value in 2012 of which one-third are industrial, commercial and institutional (ICI)

Fifth highest value of construction in Canada that includes residential and ICI

Some of North America's largest mixed use development projects currently under development, including Markham Centre and Vaughan Metropolitan Centre as examples

Home to the Toronto Construction Association and the Construction Institute of Canada

Local building industry cluster of more than 10,000 companies and trades contractors

Home to many of Canada's leading construction engineering groups and real estate developers such as Aecom, Brookfield Homes, Century Grove, Condrain, Genivar, Greenpark, Liberty Development, Miller Group, MMM, Smart Centres and Toromont

AGRI-FOOD

More than 300 local food processing businesses, one of Canada's largest industry clusters, including such names as Arla, Canada Bread, Silani Cheese, Smuckers, Sofina, Tootsie Roll and Unico

Home to the Holland Marsh, "Ontario's Salad Bowl," which consists of 125 farms on 2,832 hectares with an estimated economic impact of $1 billion annually

Location of the International Council of Bottled Water Association (ICBWA)

Community and Health Services

Working together for inclusive, healthy, resilient communities, the Community and Health Services Committee oversees programs and services for York Region residents at all ages and stages in their life. Under the framework of Investing in our Communities: The Community and Health Services Multi-Year Plan, six overarching goals outline actions to identify and respond to emerging and pressing human services issues. In 2012, a series of activities and investments enhanced services for residents.

BUILDING STRONG SOCIAL SERVICES

Goal: Contribute to Regional economic vitality by helping low-income residents with access to basic needs and with finding and keeping jobs

Achievements:

Helped an additional 101 low-income families with child care fee subsidy, enabling them to find and keep jobs

Provided an additional 318 Ontario Works and low-income clients with vocational testing, life-skills training and job-related skills development programs to help get them ready to enter the workforce

Provided access to dental care through the Healthy Smiles Ontario program for more than 1,100 children in low-income families who are not covered by insurance

Implemented a Transit Fare Subsidy Pilot Program to help Ontario Works and Ontario Disability Support Program clients with the cost of transportation

ENHANCING HOUSING CHOICES

Goal: Support healthy communities through a wide range of housing choices and networks to meet the diverse needs of residents

Achievements:

Increased housing options for residents by pursuing development of 237 affordable housing units in two new Housing York Inc. communities

Improved energy efficiency and accessibility, and upgraded playgrounds with a $500,000 enhancement to the Social Housing Innovation Fund

Expanded the Homelessness Prevention Program to help 282 households (757 individuals) stay housed

Partnered with the Human Services Planning Board of York Region to host a Housing Symposium that brought together 106 community members to discuss housing affordability options

PROTECTING AND PROMOTING HEALTH AND INDEPENDENCE

Goal: Optimize the health of the community for all ages and stages through health protection, prevention and promotion initiatives

Achievements:

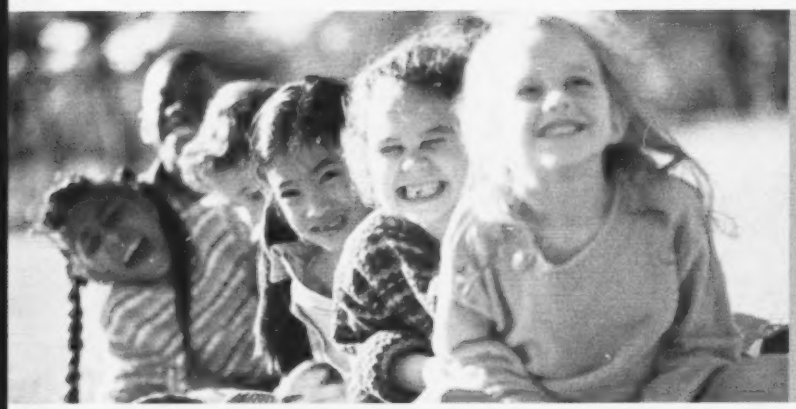
Approved a 2013 EMS Response Time Plan to set response time targets to ensure continued quality emergency care for residents

Developed York Region's first EMS 10-Year Resources and Facilities Master Plan to meet increasing service demand and population

Expanded YorkSafe inspection and disclosure, becoming the first health unit in Ontario to request posting of inspection signs at swimming pools, hair salons and tattoo parlours

Approved a three-year agreement with York University as part of the Rapid Risk Factor Surveillance System to monitor health risk behaviours and public opinion on key public health matters and emerging issues

York Region EMS piloted a program to provide paramedic services in emergency shelters, diverting 85 per cent of assessed residents to other appropriate health services and reducing hospital emergency room visits



Providing programs and services to strengthen our diverse community

SUPPORTING CHILDREN, FAMILIES AND YOUTH

Goal: Strengthen our neighbourhoods now and in the future by supporting children, families and youth to fulfil their potential

Achievements:

Increased funding by $126,000 to eliminate waitlists for low-income children and youth participating in recreational programs (PLAY, Summer Camp, Youth Leadership Camp)

Piloted a program to improve access to recreation programs for 384 children and 226 adults receiving social assistance

Provided enhanced support through Early Invention Services to 178 families with children with Down syndrome, with autism or born prematurely

COMMUNITY DEVELOPMENT AND ACCESSIBILITY PLANNING

Goal: Foster social inclusion and economic opportunities by addressing the needs of a growing and diverse community

Achievements:

Invested more than $6.5 million in over 100 community agencies to provide important community services to over 88,000 York Region residents, helping with employment, homelessness supports and family strengthening

Approved *Reaching a New Standard of Accessibility: York Region's 2011/2012 Accessibility Plan*, identifying 163 initiatives to help make Regional programs, services and facilities more accessible to everyone

Incorporated equity principles into practices to help identify the health needs of priority populations such as newcomers and low/moderate income residents

FINDING SOLUTIONS TO MAXIMIZE COLLABORATION

Goal: Deliver a more integrated human service system that supports effective community planning and quality services

Achievements:

Identified 60 actions as part of the *Making Ends Meet* initiative, collaborating with the Human Services Planning Board of York Region to find solutions to help residents with low to moderate income

Endorsed a three-year action plan to integrate newcomers and build welcoming and inclusive communities as part of the York Region Immigration Settlement Strategy

Held York Region's first conference for internationally educated professionals, hosting 485 participants with 10 skill-building workshops, a marketplace with information for newcomers and networking opportunities

Partnered with the Human Services Planning Board of York Region to hold community consultation on, and respond to, the work of the Commission for the Review of Social Assistance in Ontario

Finance and Administration

The Finance and Administration Committee provides strategic direction and advice to Regional Council. Providing policy direction and guidance, it ensures the prudent management of the Region's finances. In addition, the Committee is responsible for transparent and responsible procurement, human resources, information technology, legislative and record-keeping services. The Committee also oversees court administration for cases prosecuted under the Provincial Offences Act.

The Region's 2012 operating and capital budget exceeded $2.8 billion, with programs and services delivered by approximately 4,900 employees, including Regional staff and York Regional Police.

FISCAL MANAGEMENT

Goal: Provide effective fiscal management, administration and planning of York Region's resources and deliver sustainable financial policies to support corporate initiatives

Achievements:

Maximized investment returns to provide interest income and realized capital gains totalling $64 million, exceeding external performance benchmarks

Passed a new Development Charge Bylaw to ensure adequate recovery for growth related capital expenditures

Administered the Development Charge Bylaw, including collections of $409.7 million

Maintained an AAA/Aaa credit rating with both Standard & Poor's Rating Services and Moody's Investors Services

Issued $400 million of debt for the Region, and managed an investors relations program

Secured $22 million in long-term financing from a program offered by Infrastructure Ontario under preferred rate terms for a local municipality

Ensured financial obligations for approved capital programs meet the requirements of the Annual Repayment Limit regulation

Approved an updated Long-Term Debt Management Plan to effectively manage and budget long-term financing obligations and requirements

PROGRAM EFFICIENCIES

Goal: Lead the search for program efficiencies and continuous improvement opportunities

Achievements:

Identified program reductions, efficiencies and savings of $6 million in the 2012 budget development process

Broadened the use of psychometric assessments in the recruitment process to further improve hiring decisions

Launched icare corporate recognition program to reinforce the Regional values of integrity, commitment, accountability, respect and excellence

Developed and implemented an in-house long-term disability payment process for the Region and York Regional Police

Approved the construction of a new service facility at 9060 Jane Street in the City of Vaughan, designed to improve the delivery of Community and Health Services to the residents of south-west York Region

Negotiated retainer agreements with three external legal firms for the provision of legal services for 2013-2015, which will result in significant cost savings to the Region over the three-year period

TECHNOLOGY RESOURCES

Goal: Effective management of finance and administration activities with an emphasis on innovative and cost-effective continuous improvement initiatives

Achievements:

One of the only municipalities to utilize LinkedIn as a recruitment tool to attract job seekers

York Region addresses population and economic growth through effective and sustainable fiscal management

Implemented the telecommunications infrastructure sharing program, a collaborative partnership with various commercial carriers to co-locate cellular equipment on Regional properties, generating annual revenues in excess of $700,000 for the Region

Transitioned all remaining York Regional Police sites from old Nortel telephone systems to newer Voice over Internet Protocol (VoIP) systems, resulting in reduced costs

Managed the corporate IT infrastructure and performed enhancements to ensure overall 99.9% availability of all major IT systems

Approved design and content migration strategy for Phase 2 of the York Region portal, york.ca, and began technical development

Reduced costs and improved service by transitioning six Regional offices from leased network connections to Region-owned fibre optic communication links (York Telecom Network)

Upgraded over 2,800 Regional computers to Office 2010 and Lync 2010 software

Completed M5 fleet system rollout for York Region Transit and York Regional Police equipment stores

Initiated customer relationship management (CRM) project

SPECIALIZED PROGRAMS

Goal: Provide continued funding to partners to enhance the Region's environment and human services

Achievements:

Provided $10.3 million in 2012 to the Lake Simcoe Region Conservation Authority and the Toronto and Region Conservation Authority for water protection improvements, land conservation and education

Appropriated $13.1 million as part of York Region's continued commitment to capital development projects for local hospitals

Supported eight in-progress LEED (Leadership in Energy and Environmental Design) green building projects

Generated over $500,000 in savings from energy management activities, including energy efficiency retrofits

Responded to 148 formal access requests under the Municipal Freedom of Information and Protection of Privacy Act

GREATER PERFORMANCE

Goal: Contribute to the Region's strategic vision and initiatives

Achievements:

Delivered an implementation progress report for the first year of the 2011-2015 Strategic Plan

483 educational sessions provided to staff to increase their skills, knowledge and abilities, with an average of 21 participants per session

Approved an accessibility design guideline for all York Region facilities, which exceeds the requirements of the Ontario Building Code

Successfully acquired over 350 properties for Regional infrastructure projects, which directly supports the Region's objective of delivering and sustaining critical infrastructure

Complied with the standards set by the *Emergency Management and Civil Protection Act* and *Ontario Regulation 380/04*, contributing to creating strong, caring and safe communities

Planning and Economic Development

The Planning and Economic Development Committee is committed to the development of sustainable communities, economic vitality and protection of the natural environment for rapidly growing and diverse communities in York Region. This is achieved through collaboration and innovation in growth management policies, integration of economic development with coordination of infrastructure delivery and geospatial (GIS) information.

LONG RANGE PLANNING

Goal: Provide strategic leadership in growth management, land use planning, sustainability, research and analysis

Achievements:

Completed *Vision 2051*, the Region's long range, 40-year outlook

Continued to defend the Regional Official Plan 2010 at the Ontario Municipal Board (OMB), resulting in 90 per cent of the plan approved and in effect as of January 2013

Completed the draft *New Communities Guidelines* and delivered an extensive consultation and workshop program

Completed *Housing Matters: A Review of the Housing Market in York Region*, satisfying one of the mandatory components of the Region's *Housing and Homeless Plan* and providing tangible measures of housing affordability

Continued to monitor and report on growth management and economic development indicators through the *Economic and Development Review* and *Employment and Industry* report

ECONOMIC STRATEGY

Goal: Sustain the economic vitality of York Region by promoting new business investment and export initiatives, encouraging sustainable business practices, supporting small enterprise formation and marketing key sectors

Achievements:

Approved an *Economic Development Action Plan*

Directly supported business retention, expansion and attraction of 34 companies, impacting more than 1,400 local jobs through the Investment and Marketing program

Supported a healthcare technology business mission to Finland led by the Town of Newmarket and Southlake Regional Health Centre, creating transformative business opportunities for Newmarket

Worked with Toronto and Region Conservation Authority and the City of Vaughan to develop a Sustainable Building Innovation Hub at the Kortright Centre for Conservation

Partnered with the York Region Arts Council and York Region Media Group to re-launch the Region's tourism website at yorkscene.com

Assisted 43 new business start-ups in 2012 through the York Region Small Business Enterprise Centre (YRSBEC)

Held 14 YRSBEC events for businesses in the northern six municipalities with 1,351 attending these events

Delivered the Business Innovation in Changing Times conference series, attracting 17 corporate sponsors and more than 650 attendees

Working together to grow competitive and sustainable communities

GEOGRAPHIC INFORMATION SERVICES

Goal: Provide geospatial infrastructure to support the Region's plans for delivering service to improve decision-making through geo-analytics and visualization

Achievements:

Created YorkMaps brand for internet mapping, enhancing internet-based mapping and improving public access

Coordinated the YorkInfo Partnership and provided local municipalities, conservation authorities and school boards with quarterly delivery of more than 150 updated spatial data layers

Acquired 2012 orthophotography to enable planning, growth management and operations in collaboration with the YorkInfo Partners

Completed the draft report, YorkInfo Partnership Renewal - Building Opportunities, that documents the achievements, strengths, challenges and opportunities of the partnership and recommends solutions to increase collaboration, information sharing, strengthened governance and ability to take advantage of opportunities

COMMUNITY PLANNING

Goal: Provide planning direction and co-ordination of Regional and local community plans and provide leadership for Regional Centres and Corridors Strategic Vision

Achievements:

Approved Vaughan and Aurora Official Plans

Approved North Kleinburg-Nashville Secondary Plan

Managed prepaid Development Charges for 52 development projects

Approved 9,450 residential units for development as part of 44 subdivision and nine site plan applications

Launched a Centres and Corridors website to promote innovative practices and provide a forum for discussion

Worked with municipal partners to develop longer term outlooks for water and wastewater servicing capacity

TRANSPORTATION PLANNING

Goal: Plan and prioritize projects for a future transportation system that results in a sustainable transportation network

Achievements:

Settled major transportation policy appeals of new Regional Official Plan

Completed studies that reached agreement with local partners and land owners, including:

- Highway 404 mid-block collector road crossings
- Vaughan Metropolitan Centre and MTO on Highway 400 ramp connections
- Alternative Highway 400 interchange locations north of Teston Road

Streamlined Municipal Streetscape and Pedestrian/ Cycling Partnership Programs

Rapid Transit

As a wholly-owned subsidiary of The Regional Municipality of York, York Region Rapid Transit Corporation (YRRTC) oversees the planning and implementation for York Region's expanding rapid transit network, including strategic planning, preliminary engineering, design and construction. Funding agreements of $3.2 billion received from all levels of government are budgeted towards various public transit capital projects, including rapidways, the Toronto-York Spadina Subway Extension (TYSSE) to Highway 7, an Operations, Maintenance and Storage Facility (OMSF) and buses. To date, YRRTC has completed the first rapidway segment and rapid transit station. Three rapidway segments are currently under construction, and a contract for two more is expected to be awarded in 2013.

CONTINUING TO ENHANCE RAPID TRANSIT SERVICES

Goal: Finalize business agreements and funding schedules for Bus Rapid Transit projects

Achievements:

Completed procurement, awarded the contract and commenced the utility design for the Highway 7 West/ Vaughan Metropolitan Centre (VMC) in the City of Vaughan

Continued land acquisition in the balance of the corridors along all of Yonge Street and Highway 7 and updated engineering drawings to 40 per cent design

Completed the draft operating agreement with Metrolinx

Finalized land requirements for a permanent YRT terminal at Vaughan Metropolitan Centre

Completed the preliminary engineering work for the Yonge Street rapidway in the Town of Newmarket and the Town of Richmond Hill

Awarded the contract for the Operations, Maintenance and Storage Facility and submitted the site plan to the Town of Richmond Hill

Expanding rapid transit and moving people in better ways across York Region

PRE-CONSTRUCTION AND CONSTRUCTION ACTIVITIES UNDERWAY

Goal: Implement the vivaNext plan through pre-construction and construction activity

Achievements:

Built eight canopies and completed detailed designs along Highway 7 East (H3) in the Town of Richmond Hill

Completed detailed designs and commenced utility relocation and construction work along the Davis Drive corridor in the Town of Newmarket

Widened Eastern Creek on the north side, built 10 retaining walls and shifted traffic along Davis Drive at the Keith Bridge to allow for bridge widening in the Town of Newmarket

Opened a project information centre on Davis Drive in the Town of Newmarket

Completed draft land surveys along Highway 7 West, from Islington Avenue to Helen Street in the City of Vaughan

Continued road widening and construction of vivastations along Highway 7, west of Highway 404, in the City of Markham

Launched the "Shop Davis" Business Support Program on Davis Drive to help support businesses during construction and remind residents they can still access Davis Drive businesses during vivaNext construction

EXTENDING SUBWAYS TO PROVIDE BETTER CONNECTIONS

Goal: Move forward on the subway extensions to York Region

Achievements:

Completed the first twin tunnel drives on the Toronto-York Spadina Subway Extension (TYSSE) project between Sheppard West and Finch West Stations, and proceeded with the first 500 metres of tunneling as part of the second twin tunnel drives

Completed TYSSE excavation to track elevation for the Highway 407 Station, the south end of Black Creek Pioneer Village Station (formerly Steeles West Station) and the north end of Vaughan Metropolitan Centre

Continued collaborative communications with TYSSE funding partners and the Toronto Transit Commission, and planned a joint TYSSE-vivaNext project information office in the City of Vaughan

Completed the conceptual design study for the Yonge Subway extension from Finch Station to Highway 7

Environmental Services

The Environmental Services Committee supports provision of cost-effective drinking water and wastewater services to the nine local municipalities, directs solid waste management diversion and disposal services and shapes green infrastructure that includes the York Regional Forest and street trees. With an emphasis on regulatory excellence, innovation and environmental protection, Environmental Services Committee makes effective decisions that support the environmental needs of York Region's residents and businesses every day.

SUSTAINABLE WATER AND WASTEWATER INFRASTRUCTURE

Goal: Maintain leadership in innovative and sustainable water-use programs to support demands for water delivery infrastructure

Achievements:

Continued to implement the Long Term Water Conservation Strategy, including rebates for water-efficient fixtures, free water audits and incentives for industrial, commercial and institutional (ICI) users

Saved 25.8 million litres of water a day through Regional programs in 2012

Delivered 25 water efficiency seminars and 911 free outdoor landscape water audit visits to educate residents

Educated 5,000 Grade 4 students on water conservation through the York Children's Water Festival

Inspected 532 stream banks with erosion potential near Regional infrastructure

Drafted risk management protection policies for source water protection

Goal: Ensure efficient and cost-effective water and wastewater infrastructure while meeting stringent regulatory standards and sustainability objectives

Achievements:

Updated State of Infrastructure Report for water, wastewater and waste management, achieving overall grade of B

Reported on energy cost savings of $1.27 million from 2006 to 2010

Advanced local inflow and infiltration reduction pilot programs with developers and local municipal partners

Inspected 31 kilometres of trunk sewer using closed circuit television

Implemented updated Sewer Use Bylaw for greater protection of wastewater infrastructure, operations staff and receiving bodies of water

Completed 99 drinking water facility audits, including Drinking Water Quality Management Standard re-accreditation and ISO 9001 re-certification

Scored 99.82 per cent compliance with Ministry of the Environment inspections for water facilities and 99.98 per cent compliance with drinking water quality standards, ranking first in the GTA

Approved capital infrastructure budget of $519.5 million

Constructed 1,631 metres of the Southeast Collector Trunk Sewer, approximately 11 per cent of the total sewer length

Completed 12 infrastructure projects, including facility upgrades, expansions and new watermains, along with inflow and infiltration reduction in Aurora, Newmarket and Richmond Hill

Protecting our natural resources and maintaining our healthy environment

INNOVATIVE WASTE MANAGEMENT SOLUTIONS

Goal: Establish a planning framework and strategic assets to secure long-term waste diversion goals

Achievements:

Completed Phases 1 and 2 of the Integrated Waste Management Master Plan in collaboration with our nine local municipal partners with waste reduction and reuse as key priorities

Strengthened management of third-party contractor performance and reliability of organics, material recovery and residual waste processing services

Advanced the Durham-York Energy Centre through final design and permitting stages in partnership with Durham Region and the contractor

Increased accessibility to sustainable waste management services for York Region residents and further increased diversion from landfill, achieving a 78 per cent rate of diversion from landfill

Goal: Invest in innovative waste management programs to meet the diversion needs of York Region residents

Achievements:

Confirmed 2011 diversion rate of 54.26 per cent with Waste Diversion Ontario, which does not include waste diverted for energy recovery, ranking York Region second in the Large Urban Municipalities category – less than half a percentage point behind Halton Region

Collected approximately 92,000 tonnes of source separated organic green bin material

Processed approximately 89,000 tonnes of blue box materials and successfully marketed approximately $8.5 million of materials

Successfully collected over 1,600 tonnes of electronic waste and over 1,300 tonnes of household hazardous waste

Diverted an additional 6,000 tonnes of material, including tires, clean fill, textiles, wood waste and scrap metal through McCleary Court and Elgin Mills Community Environmental Centres and other Regional depots

NATURAL HERITAGE AND FORESTRY

Goal: Protect and build our green infrastructure

Achievements:

Improved street tree health with 75 per cent of Regional assets in good or better condition

Managed 21 forest tracts and delivered engaging and educational programs

Planted about 100,000 trees and shrubs through community and local municipal programs and partnerships

Together with Nature Conservancy of Canada, York Region secured a 16-hectare addition to the MacMillan Farm located in the City of Vaughan

Hosted 67 stewardship and education events attended by more than 5,000 participants

In consultation with stakeholders and York Region residents, successfully updated the York Region Greening Strategy

Transportation Services

The Transportation Services Committee helps create and connect York Region's communities. Our services provide mobility across the Region for all modes of travel: pedestrians, cyclists, transit users, motorists and truck drivers. We are working to ensure conformity with local, Regional and Provincial planning policies and provide a 'one-window' approach for development applications.

YORK REGION TRANSIT/VIVA

Goal: Provide the highest quality of reliable, safe, accessible and convenient transit services to all residents and employees of York Region

Achievements:

- YRT/Viva carried over 22.1 million revenue riders in 2012, the highest ridership recorded since amalgamation
- On-time performance improved to over 90 per cent
- Yrt.ca attracted over 4.5 million visitors and transit Facebook and Twitter accounts were launched
- YRT/Viva Contact Centre responded to over 236,000 customer inquiries and the Interactive Voice Response system handled over 2.1 million calls
- Mobility Plus calls carried over 369,000 revenue-riders and the Contact Centre answered over 222,000 customer calls
- Approximately 366,000 fares were inspected and a one per cent fare evasion rate was maintained
- Route 50 was launched to connect York Region residents from Pefferlaw to Newmarket
- Enhancements were made at the Richmond Hill Centre Terminal, including customer washroom facilities, heated waiting areas, LCD screens and a public address system
- Live road camera feeds were installed in the Centralized Control Centre and improvements continued to communicate real-time service information
- Two YRT/Viva operation and maintenance facilities were completely modified and opened for YRT/Viva service contractors
- Council approved the purchase of an existing operations and maintenance facility in the Town of Newmarket
- Launched Google real-time trip planner
- 1,286 Presto Cards sold and 1.6 million taps recorded on YRT/Viva system

TRAFFIC AND INTELLIGENT TRANSPORTATION SYSTEMS

Goal: Apply technology and expertise to inform travellers, improve safety, accommodate growth and maximize efficiency of the transportation system

Achievements:

- Delivered pedestrian and motorist safety education campaigns in partnership with York Regional Police to improve pedestrian and motorist safety
- Responded to 1,200 annual customer service requests
- Re-lamped 6,000 streetlights to reduce lighting failure
- Rebuilt traffic control signals at 15 intersections
- Implemented 30 speed limits revisions on Regional roads to improve safety

Zebra crosswalk markings installed at 100 locations across York Region help to improve pedestrian safety

Designated 57 new Community Safety Zones

Installed zebra crosswalk markings at 100 locations

Completed Yonge Street Operational Review to improve transit operating efficiency

Steamlined road closure approval process

Deployed traffic management system pilot

ROADS

Goal: Provide a safe and well-designed environment for all modes of travel by maintaining a safe and efficient road system

Achievements:

Maintained over 3,500 kilometres of Regional roads

Delivered $133 million of capital improvements and infrastructure rehabilitation

Built 21 lane-kilometres of new road capacity

Built 1,600 metres of traffic noise barriers

Responded to 75 winter weather events

Removed over 10,000 nuisance signs and increased nuisance sign removal by 25 per cent

Cleaned and maintained 16,200 metres of ditches and 5,900 metres of catch basins

Issued 460 municipal consent permits for utility installations

ASSET MANAGEMENT

Goal: Effectively manage our assets to ensure they remain in a state of good repair and meet desired levels of service

Achievements:

Created the Transportation Asset Management Group to provide strategic direction to the department

Published a State of Infrastructure Report Card which provided information on the state of transportation assets

Initiated the development of an Asset Management Framework to better manage our assets through their lifecycle

York Regional Police Services Board

The Regional Municipality of York Police Services Board is a seven-member civilian Board that oversees the York Regional Police. The Board includes: the Head of Regional Council; two members of Regional Council, appointed by resolution; one civilian who is neither a member of Council nor an employee of the Region, appointed by resolution; and three Provincial appointees appointed by the Lieutenant Governor in Council.

Governed by Ontario's Police Services Act, the Board ensures that effective police services, including crime prevention, are provided to 1.1 million people in the growing and diverse Region.

PROGRESSIVE LEADERSHIP

The Police Services Board represents the public interest and is committed to a high quality of community-based policing and excellence in police governance.

In January 2012, Mayor Frank Scarpitti, who has been a member of the Board since 2007, was elected to serve as Chair of the Board. This is his first term as Chair. Barbara Bartlett was re-elected as Vice Chair in January 2012. In February 2012, a new member was appointed to the Board, Mayor of the Town of East Gwillimbury, Virginia Hackson. Until her election as Mayor in October 2010, Mayor Hackson served the people of East Gwillimbury as a Councillor for three terms, joining Town Council in 2001.

The Board presented its 2012 Award for Civic Leadership to Dave Williams, recognizing his contributions, volunteer work, community engagement and commitment towards the enhancement of the quality of life for residents of York Region. Mr. Williams has been a member of York Regional Police (YRP) Community Advisory Council, YRP Hate Crime Community Working Group and the YRP #1 District Community Liaison Committee as well as various other groups. Recipients of the Award for Civic Leadership are stellar leaders in their fields who enhance community safety and promote positive relations between the citizens and York Regional Police.

The Board presented Theodore (Ted) Toulis with Volunteer of the Year Award for his commitment and dedication as a volunteer to York Regional Police. Since 2009, Mr. Toulis has been involved with the York Regional Police Youth Band and became the interim conductor in 2011. He helped facilitate a joint performance at the 2011 York Regional Police Military Tattoo and has volunteered at the Community Safety Village, including leading a parade during Seniors' Day.

MAKING A DIFFERENCE IN OUR COMMUNITY

The Police Services Board approved a budget of $254.7 million in 2012, subsequently approved by Regional Council. The budget includes the addition of 34 new police officers and 12 civilian support staff which increased the size of the police service to 2,037 members. The cost per capita, at $252, remains one of the lowest among policing populations of over one million residents.

The Board also approved over $76,000 in contributions from the Board's Public Relations Fund for many community-organized programs and events in support of safer community actions. This fund is financed with money not claimed and money from property auctions. Organizations that received this funding included:

- Adopt-a-Mission
- Association of Black Law Enforcers
- Beth Chabad Israeli
- Canadian Crime Victims Foundation
- Character Community Foundation of York Region
- Clubs for Cancer
- Community Safety Village
- Crime Stoppers of York Region
- Herbert H. Carnegie Future Aces Foundation
- Kinark Child and Family Services
- Ontario Women in Law Enforcement
- Special Olympics
- St. John Ambulance
- Women's Centre of York Region
- Women's Support Network of York Region
- Yellow Brick House
- YMCA of Greater Toronto
- York Centre for Children, Youth and Adults
- York Region Abuse Program
- York Regional Police Appreciation Night

YORK REGIONAL POLICE SERVICES BOARD MEMBERS

Mayor Frank Scarpitti
Chair
Regional Council Appointee

Barbara Bartlett
Vice-Chair
Regional Council Appointee

Bill Fisch
York Region Chairman and C.E.O.

Mayor Virginia Hackson
Regional Council Appointee

Joanne Yu
Provincial Appointee

Sam Herzog
Provincial Appointee

John Molyneaux
Provincial Appointee

2011-2013 BUSINESS PLAN

The Board is in its second year of the 2011 to 2013 Business Plan. The plan was a collaborative process involving members of Regional and local councils, school boards, community organizations, businesses, citizens and members of York Regional Police. Key goals in the business plan include supporting healthy communities, ensuring police services are responsive to the evolving needs of a dynamic population and providing inclusive and equitable police services. The 2011 to 2013 Business Plan is available at www.yrpsb.ca

NEW COMMUNITY POLICING CENTRE

A new Community Policing Centre opened in the Town of East Gwillimbury. The Board authorized an agreement in partnership with the town to establish a community policing station in Mount Albert. The centre will provide a local police presence and engage volunteers to participate in crime prevention programs. In June 2012, more than 20 volunteers were trained and equipped to staff the Mount Albert Community Policing Centre. A police officer was also assigned to serve as a liaison with the centre's volunteers to ensure the needs of the community are achieved. The overall objective is to enhance customer service for traffic concerns, youth issues and crime prevention.

BOARD ADVOCACY

The Board supported a resolution which urges the Province to reinstitute the photo radar program to reduce operating speeds on local and regional roads and increase road safety. Statistics indicate speeding is a consistent contributing factor in high speed limit zones, where collisions are more likely to result in fatalities and serious injuries. The more excessive the speed, the more severe the collisions and resulting injuries. A review conducted by the Ministry of Transportation showed substantial change in driving behaviour and that speeds had dramatically decreased when photo radar is in use.

The Board passed a resolution advocating on behalf of the Association of Municipalities of Ontario (AMO) regarding Ontario's Interest Arbitration System. The resolution seeks changes to interest arbitration that would improve current processes to ensure arbitrated settlements are fair, balanced, transparent and accountable. The Board forwarded its resolution to AMO to promote advocacy on the Board's behalf.

York Regional Police

York Regional Police is proud to serve the 1.1 million residents of one of Canada's fastest-growing and most-diverse communities. The hard work and dedication of 1,495 officers and 542 civilians has resulted in our organization's reputation as a national leader in law enforcement and crime prevention programs. In the delivery of professional and progressive police services, we rely on our four Cornerstones of Success: Community Focus, Operational Excellence, Preferred Place of Employment and Superior Quality Service. Our members are guided by our mission, vision and values to make a difference in our community.

Cornerstones of Success

Community Focus

Operational Excellence

Preferred Place of Employment

Superior Quality Service

COMMUNITY FOCUS

Goal: Mobilize our citizens and community partners to engage in crime prevention efforts

Achievements:

Established the Town of Aurora Park Ambassador Program, the third program of its kind in York Region. Increased police patrol and response – by car, bicycle and on foot – is enhanced by citizen volunteers who assist by reporting bylaw infractions and criminal activity in our public recreational spaces

Delivered the first Parents Academy, a specialized version of our award-winning Citizen's Academy, a community education program that provides residents with a working knowledge of York Regional Police. Parent-focused topics included Internet safety and how to encourage positive lifestyle choices

Expanded the Integrated Domestic Violence Unit from six officers to 18 and moved offices to a location beside Victim Services of York Region, furthering the development of a community hub to better serve victims of domestic violence

Incorporated bullying awareness programs into grades 1 to 4, moved bullying lessons in our Values, Influences and Peers (VIP) program from Grade 5 to Grade 3 and delivered presentation on 'sexting' to all Grade 9 classes in York Region

Increased use of social media to deliver crime prevention messaging, including drug education for teens, traffic safety and impaired driving messages and information on how to prevent fraud through Facebook, Twitter and YouTube. Citizens are engaging with police on these platforms with questions and comments to York Regional Police Media Officers

York Region citizens reached a milestone in the fight against impaired driving as we took the 10,000th call to 9-1-1 in the Safe Roads ... Your Call program

OPERATIONAL EXCELLENCE

Goal: Focus our resources to target existing crime problems and emerging trends

Achievements:

In partnership with the Insurance Bureau of Canada, created the first Canada-wide training video for frontline officers to teach them to recognize the indicators of a staged collision

A large-scale investigation into staged collisions in York Region in 2012 resulted in 242 charges, including conspiracy, fraud and participating in a criminal organization being laid against 60 suspects

Implemented a 3 p.m. to 3 a.m. shift for frontline officers at all districts to better match police resources with call demand, providing greater coverage

Enhanced intelligence-gathering capabilities through dedicated space and staff for a new wire tap room

Ensuring our citizens feel safe and secure through excellence in policing

Realized a 28-per cent reduction in unintentional calls to 9-1-1 following a focused media campaign to educate residents, decreasing the time and resources needed to respond to these calls

PREFERRED PLACE OF EMPLOYMENT

Goal: Provide enhanced leadership training to members at all levels of the organization

Achievements:

Implemented Leadership in Action, Knowledge, Skills and Development and Command Development courses for sworn and civilian supervisors, managers and command staff

Career planning presentations provided to frontline members

Learn@Work Week implemented to showcase careers available within our police service

Civilian Orientation Program implemented to increase new members' organizational and community awareness related to our mission, vision and values

Offered all members the opportunity to participate in the Emotional Survival for Law Enforcement workshop, aimed at helping members maintain a healthy work-life balance

SUPERIOR QUALITY SERVICE

Goal: Enhance our ability to communicate information in different formats and languages

Achievements:

Inclusivity Strategy implemented, diversity awareness and training incorporated into leadership courses and Civilian Orientation Program

Improved communication with our community through social media, real-time messaging for road closures, serious incidents or emergencies

New Community Policing Centre opened in the Town of East Gwillimbury to further serve residents in the north end of York Region

Secured location for police sub-station in Town of Whitchurch-Stouffville

Business survey to gauge business owners' priorities, concerns and suggestions on policing services, 6,500 businesses received survey, 30 per cent response rate

2012 Awards and Highlights

YORK REGION AND YORK REGIONAL POLICE EMPLOYEES

The **Employee Campaign Spirit Award** for running an exemplary campaign and the **York Region Community Spirit Award** for achieving the largest contribution to the United Way of York Region Community Fund

COMMUNITY AND HEALTH SERVICES

The new **Excellence Canada - Ontario Accessibility Award** for demonstrating excellence in implementing the requirements of the Accessibility Standards for Customer Service Regulation of the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA)

The Ontario Ministry of Transportation's **Road Safety Achievement Award** in the category of Partnerships to York Region's Public Health branch for successfully collaborating with multiple community partners to promote road safety

The **Governor General Emergency Medical Services (EMS) Exemplary Service Medal** to eight York Region EMS paramedics who have served for at least 20 years for providing the highest standard of patient care

A **Commission on Accreditation of Rehabilitation Facilities citation** to York Region Early Intervention Services for demonstrating organizational leadership and innovation

FINANCE AND ADMINISTRATION

The **Canadian Award for Financial Reporting** from the Government Finance Officers Association (GFOA)

The **Distinguished Budget Presentation Award** from the Government Finance Officers Association (GFOA)

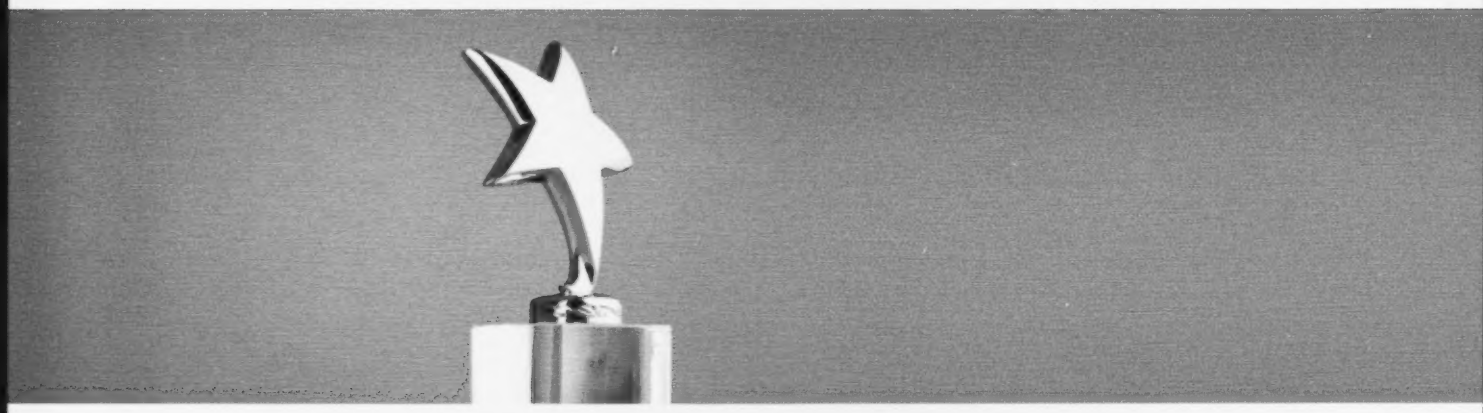
A **Best Employer for New Canadians** award for assisting new Canadians in transitioning to a new workplace and to a new life in Canada

Recognized as one of **Greater Toronto's Top Employers**

A **Champion of Diversity** award from the Professional Access and Integration Enhancement (PAIE) Program for hiring internationally trained engineers and geoscientists

PLANNING AND ECONOMIC DEVELOPMENT

Cited as a **Leader in Municipal Planning** by the Ontario Human Rights Commission in its guide *In the Zone: Housing, Human Rights, and Municipal Planning*, for raising awareness of human rights related to affordable housing when making zoning and planning decisions and for promoting an appropriate mix and range of affordable housing



TRANSPORTATION SERVICES

A **Smart Commute Employer of the Year** award for the wide array of commute options available to York Region staff, including preferential carpool parking, an Emergency Ride Home program and no-fare YRT/Viva passes for staff

A **Regional Citation for Excellence** from the Canadian Society of Landscape Architects for achieving consensus on the visionary South Yonge Streetscape Master Plan through an extensive and innovative stakeholder collaboration and consultation process

A **CUTA National Transit Corporate Leadership** award in the marketing and communications category to YRT/Viva and Acart Communications for the student brand campaign

The **Crystal Trophy Award of Excellence** for photography and the **Trophy Award of Excellence** for a complete campaign to YRT/Viva and Acart Communications for the student brand campaign from the International Association of Business Communicators (IABC)

The **Peter J. Marshall Innovation Award** from the Association of Municipalities of Ontario for a joint transit purchasing partnership through a single supplier, a first in North America

ENVIRONMENTAL SERVICES

Global recognition as one of **KPMG's Top 10 Waste Infrastructure Projects** to the Durham-York Energy Centre Project for innovative recycling and waste management

A **Technical Innovation Award** from the American Public Works Association (APWA) for ash lagoon modifications and upgrades at the G.E. Booth (Lakeview) Wastewater Treatment Plant, part of shared capital improvements with Peel Region

YORK REGIONAL POLICE

The inaugural **Royal Roads University Alumni Leadership Award** to Chief Eric Jolliffe for his commitment to values-based leadership

An award from **Excellence Canada** for exceeding compliance standards of the Accessibility for Ontarians with Disabilities Act (AODA)

A **Certificate of Merit** from the Canadian Safe Boating Council to the York Regional Police Marine Unit for its strong commitment to safety and education

Named one of **Canada's 10 Outstanding Employers** by the Learning Partnership for helping students explore career options and stay in school

THE REGIONAL MUNICIPALITY OF YORK

2012 Financial Statements

Treasurer's Report 33

Auditors' Report 45

Consolidated Statement of Financial Position 46

Consolidated Statement of Operations 47

Consolidated Statement of Change in Net Debt 48

Consolidated Statement of Cash Flows 49

Notes to the Consolidated Financial Statements 50

Auditors' Report for the Sinking Fund 64

Sinking Fund Statement of Financial Position and Financial Activities 65

Notes to the Sinking Fund Financial Statements 66

Auditors' Report for the Residents' Trust Funds and Donation Account 67

Residents' Trust Funds and Donation Account Statement of Financial Position and Financial Activities 68

Notes to the Residents' Trust Funds and Donation Account Statement of Financial Position and Financial Activities 69

York Region Statistical Review 70

THE REGIONAL MUNICIPALITY OF YORK

Treasurer's Report

Bill Hughes
Commissioner of Finance
& Regional Treasurer

To the members of York Regional Council, residents and ratepayers of The Regional Municipality of York, Newmarket, Ontario

For the year ended December 31, 2012, we are pleased to provide the financial statements of the Corporation of The Regional Municipality of York. In addition to financial results for fiscal year 2012, this report highlights ongoing financial policies, practices, budget initiatives and financial performance related to the delivery of the Region's programs and services.

STRATEGIC PLANNING

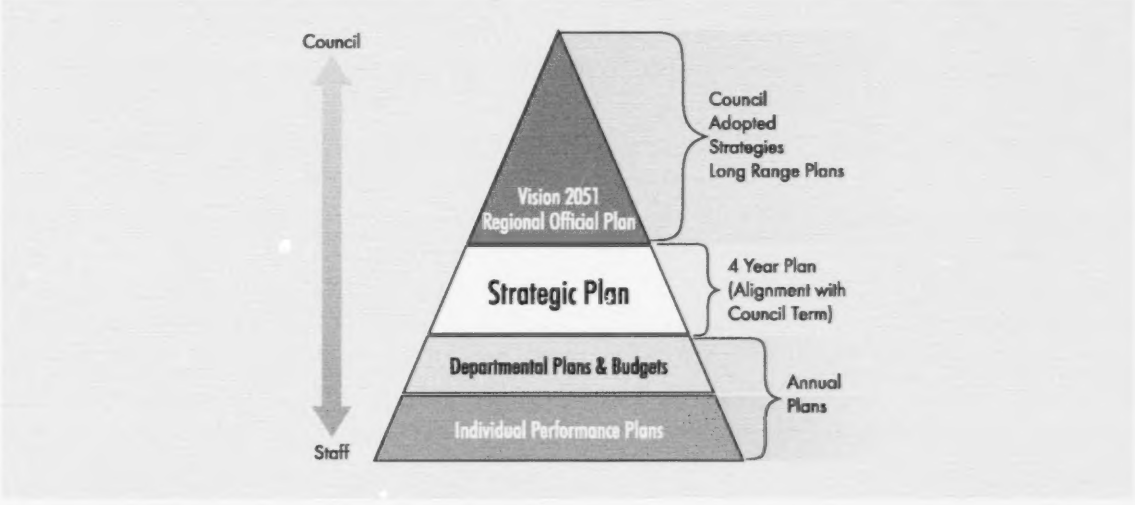
"York Region: Creating Strong, Caring and Safe Communities" is the statement that captures the overall objective of the *2011-2015 Strategic Plan.*

Vision 2051 establishes the overall vision and direction for Regional Council and the Region's employees, and informs Council decisions, the Strategic Plan, departmental plans and budgets and individual performance plans. It incorporates public input received during the development of recent Regional strategies, including the York Region Official Plan, the Transportation Master Plan, the Water and Wastewater Master Plan, the Pedestrian and Cycling Master Plan, the Long Term Water Conservation Strategy and Community and Health Services' Multi-Year Plan.

Vision 2051 is comprised of eight interrelated goal areas and strategic priority areas:

- A Place Where Everyone Can Thrive
- A Resilient Natural Environment and Agricultural System
- An Innovation Economy
- Living Sustainability
- Livable Cities and Complete Communities
- Appropriate Housing for All Ages and Stages
- Interconnected Systems for Mobility
- Open and Responsive Governance

Vision 2051, the Region's Sustainability Strategy and the Regional Official Plan are Council's long-range planning documents. The strategic plan serves to align Regional departments with Council's goals by establishing a hierarchy of planning processes that direct department plans and budgets, as well as individual performance plans.



2011 TO 2015 STRATEGIC PLAN

On October 20, 2011 York Regional Council approved the *2011 to 2015 Strategic Plan*. The Strategic Plan is built on four fundamental principles:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

The *2011 to 2015 Strategic Plan* includes seven strategic priority areas for this particular term of Council, enabling the Region to meet its service delivery obligations through alignment of resources to the strategic priorities. The plan contains 23 strategic objectives that identify results the Region wants to achieve in each of the strategic priority areas. The strategic objectives are translated into 77 indicators of success. These indicators allow us to measure progress in each of the strategic priority areas, as well as provide benchmarking data for use in initiatives such as the Ontario Municipal Benchmarking Initiative (OMBI) and the Municipal Performance Measurement Program (MPMP). The Region's strategic plan covers the four-year term of Regional Council.

ECONOMIC OVERVIEW

York Region remains a major growth area in the Greater Toronto Area (GTA), accounting for 17.2 per cent of the GTA's total population. By December 2012, the total population of York Region was estimated to be 1,108,570. This population estimate represents an increase of approximately 23,000 people and a growth rate of 2.1 per cent in 2012.

There were approximately 533,000 jobs in York Region as of year-end 2012 and the number of jobs has increased by 206,300 in the last 14 years. In the past few years, growth has been relatively strong in the business service and personal service sectors. There are now an estimated 42,000 businesses in York Region. In 2012, the Region added approximately 14,000 jobs, close to the previous year's growth of 15,000 jobs.

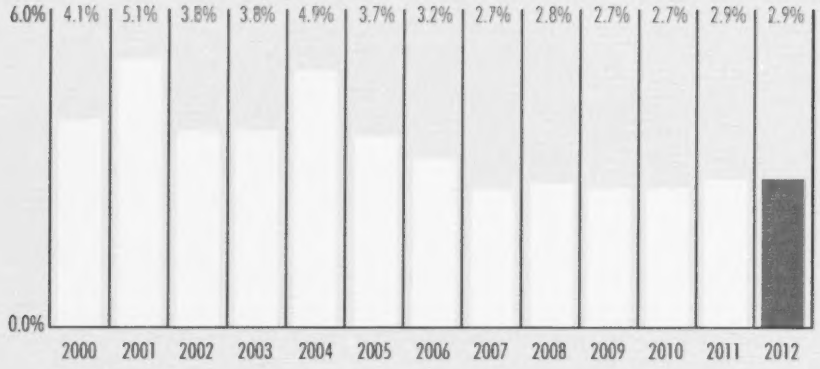
Total new construction for 2012 was valued at $3.47 billion, a 38-per cent increase from 2011, with York Region ranked fifth among Canadian municipalities. Industrial, Commercial and Institutional (ICI) construction made up 27.1 per cent of the total value of construction. Residential construction reached $2.53 billion in 2012. York Region had the fifth highest value of residential construction in Canada for 2012 and ranked third for new residential building permits. The Region had 10,570 new housing starts and 6,957 housing completions in 2012, an increase of 14 per cent and a decrease of 6.6 per cent respectively.

2011 to 2015 Strategic Priority Areas

- Continue to Deliver and Sustain Critical Infrastructure
- Improve Social and Health Supports
- Increase the Economic Vitality of the Region
- Focus Growth along Regional Centres and Corridors
- Manage the Region's Finances Prudently
- Make Regional Services more User-friendly
- Strengthen Organizational Capacity

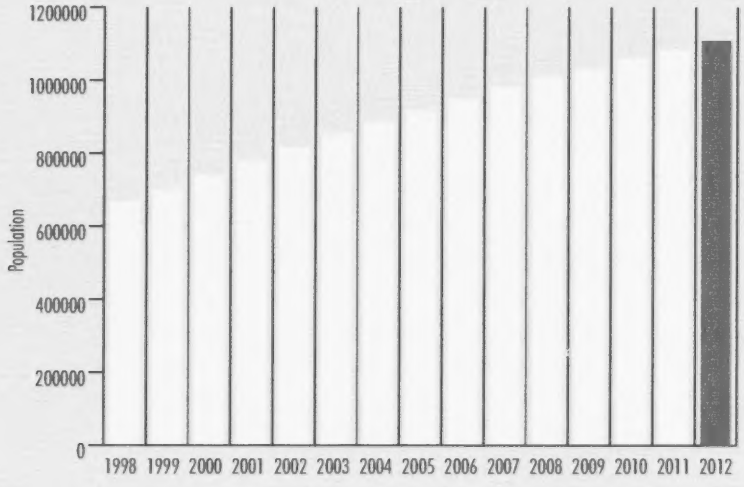
ASSESSMENT GROWTH

Consistent with population and economic growth rates within York Region, assessment growth built into the 2012 budget was 2.87 per cent.



YORK REGION – ANNUAL POPULATION GROWTH 1998 – 2012

Since 1998, the population of York Region has grown by almost 437,400 or approximately 65 per cent. A national comparison of the population for Canadian cities, Regions and Regional Districts indicates that as of December 2012, York Region was the sixth largest municipality in Canada.



THE 2012 APPROVED BUDGET

The Budget Review Committee, consisting of the York Region Chairman and CEO, the Chief Administrative Officer, the Regional Treasurer and the Director of the Office of the Budget, reviews the proposed business plans and budgets to ensure compliance with Council guidelines and to balance competing priorities.

On January 26, 2012, Council adopted a total gross expenditure budget of $2.8 billion. After revenue from projected assessment growth, the net tax levy increase for all Regional services was 1.82 per cent. This budget addressed the challenges associated with rapid growth, including additional funding support for transit, York Regional Police, roads, community and health services, water and wastewater.

In developing the 2012 Business Plan and Budget, all Regional business units prepared operating budgets according to the following framework:

Step 5 - ENHANCEMENTS
New services or enhanced service levels

Step 4 - GROWTH
Costs required to maintain existing levels of service for the Region's increased population

Step 3 - ANNUALIZATION
Additional costs of prior year commitments including impact of capital

Step 2 - MANDATORY / LEGISLATIVE
Non-discretionary costs imposed by others

Step 1 - BASE
Costs required to maintain existing service level
(salaries & benefits, inflation, utilities and contracted services)
Less: Reduction/Efficiencies/Other Savings

The capital budget was developed using a Long Range Fiscal Planning Strategy, which includes a need-based framework for projects.

In addition, York Region used the concept of Capital Spending Authority (formerly called Total Project Budget Authority) in the development and approval of its 2012 Capital Budget. The Capital Spending Authority concept recognizes the multi-year nature of many capital projects.

2012 FINANCIAL RESULTS

York Region's 2012 financial activities continue to reflect the large capital investments needed to support growth and development and the high level of service provided to residents and businesses.

REVENUES

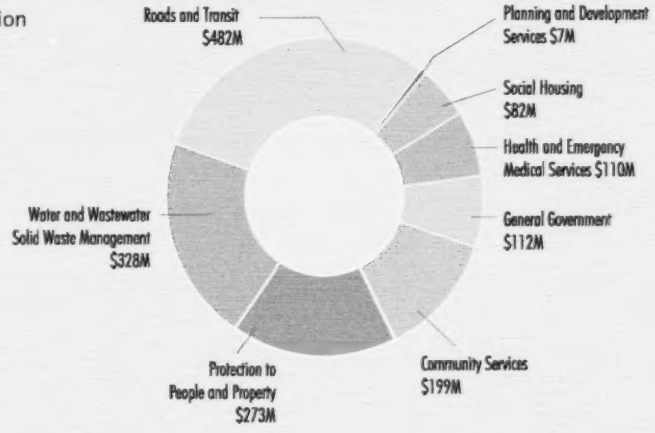
Total 2012 revenues of $2.1 billion financed current fund operations, reserves, reserve funds and tangible capital asset acquisitions. The sources of revenue included:

- $1 billion through taxation and water/wastewater fees
- $452 million through provincial and federal transfer payments and subsidies
- $379 million through contributions from Development Charges for capital asset acquisitions and debt repayments
- $163 million through direct service user fees, service charges and other revenues
- $39 million through interest earned on operations, reserves and reserve funds

OPERATING EXPENSES

Expenditures for operations totalled $1.6 billion in 2012, including:

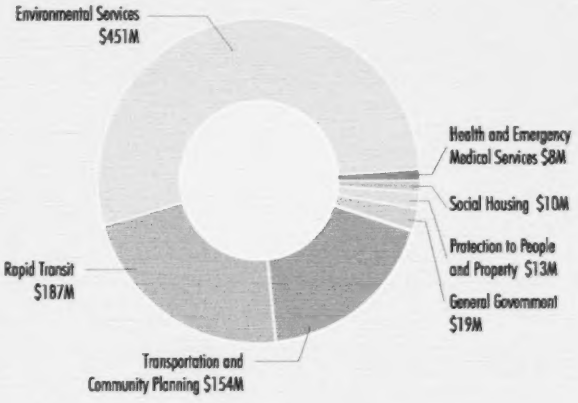
- $482 million for roads and transit
- $328 million for water, wastewater and solid waste management
- $273 million for protection to people and property
- $199 million for community services
- $112 million for general government
- $110 million for health and emergency medical services
- $82 million for social housing
- $7 million for planning and development services



CAPITAL EXPENSES

Expenditures for capital totalled $842 million in 2012, including:

- $451 million for environmental services
- $187 million for rapid transit
- $154 million for transportation and community planning
- $19 million for general government
- $13 million for protection to people and property
- $10 million for social housing
- $8 million for health and emergency medical services



Consolidated revenues for 2012 exceeded those for the previous year by $250 million. The increase came mainly from Provincial and Federal transfer payments ($108 million), development charges ($57 million), tax and user rates ($45 million) and an increase in fees and services ($15 million).

Consolidated expenses for 2012 exceeded those for the previous year by $100 million. The increase came mainly from Transportation and Community Planning ($71 million) and Environmental Services ($35 million).

GROWTH MANAGEMENT STRATEGY

York Region's policies ensure growth and development are financed in a fiscally responsible manner to meet the future needs of the Region's communities. In 2012, the Region spent $841.6 million on the acquisition, construction or improvement of infrastructure and long-term tangible assets.

The Region is expected to grow by 500,000 people over the next 20 years. Infrastructure needs to be constructed in advance to accommodate population and employment growth. Although the costs for this infrastructure will be recovered mostly from new growth, a significant amount of debt financing will be needed in the interim. Regional Council has enacted The Regional Municipality of York 2012 Development Charge Bylaw. The rate changes in the bylaw are based on the updated infrastructure costs required to service growth to 2031, consistent with the Province of Ontario's *Places to Grow* population forecast. The new development charge rates took effect June 18, 2012.

Another important component of the Region's financial strategy is the timely and effective use of long-term debenture financing. As demands for new and updated infrastructure have grown within the Region and local municipalities, so have capital financing needs. In 2012, the Region issued $400 million of public debentures for its own purposes, the majority of which will be recovered from future development charges. The Region also secured $22.45 million in long-term financing from Infrastructure Ontario with preferred rates for a local municipality.

Key capital investments in 2012 included:

- Continued construction of the York Durham Sewage System Southeast Collector trunk sewer
- Cost shared capital works with the City of Toronto and Peel Region to increase water supply to York Region
- Expanded and upgraded sewage treatment facilities at the Duffin Creek Water Pollution Control Plant
- Construction of a state-of-the-art energy from waste facility in partnership with Durham Region
- Resurfacing of various Regional roads
- Road widening on Stouffville Road from Woodbine Avenue to McCowan Road
- Road widening on Bloomington Road between Bathurst Street and Yonge Street
- Affordable housing development underway in Georgina and Richmond Hill
- Toronto York Spadina Subway extension
- Construction of Bus Rapid Transit facilities and terminals

2012 BUSINESS PLAN AND BUDGET
10 YEAR GROSS CAPITAL EXPENDITURE FORECAST

(In $ 000's)	2012	2013	2014	2015	2016	2017 to 2021	Total
Tangible Capital Assets							
Rehabilitation/Replacement							
Community and Health Services	14,497	9,812	4,841	3,956	5,565	21,334	60,005
Corporate Management	12,381	10,050	11,185	12,629	7,438	42,409	96,092
Environmental Services	42,615	38,691	50,775	45,026	44,038	291,177	512,322
Transportation and Community Planning	37,931	44,362	29,668	29,394	32,343	227,967	401,665
York Regional Police	9,789	18,403	18,030	10,836	21,885	74,677	153,620
Sub Total Rehabilitation/Replacement	**117,213**	**121,318**	**114,499**	**101,841**	**111,269**	**657,564**	**1,223,704**
Growth/Expansion							
Community and Health Services	51,978	23,810	24,254	26,645	13,172	10,430	150,289
Corporate Management	12,453	99,629	78,663	18,420	1,773	6,500	217,438
Rapid Transit	332,202	354,108	240,712	131,756	26,597	759	1,086,134
Environmental Services	436,064	504,332	397,458	409,112	385,974	1,236,298	3,369,238
Transportation and Community Planning	98,402	233,529	201,965	212,836	213,297	559,873	1,519,902
York Regional Police	6,062	22,150	11,670	690	848	13,968	55,388
Sub Total Growth/Expansion	**937,161**	**1,237,558**	**954,722**	**799,459**	**641,661**	**1,827,828**	**6,398,389**
Enhancement/Improvement							
Community and Health Services	2,750	2,310	-	-	-	-	5,060
Corporate Management	10,841	5,163	1,167	2,171	750	3,750	23,842
Environmental Services	31,843	29,651	29,862	20,682	38,760	43,669	194,467
Transportation and Community Planning	4,786	4,173	3,240	3,245	1,250	6,325	23,019
York Regional Police	2,045	-	-	-	-	789	2,834
Sub Total Enhancement/Improvement	**52,265**	**41,297**	**34,269**	**26,098**	**40,760**	**54,533**	**249,222**
Total Tangible Capital Assets	**1,106,639**	**1,400,173**	**1,103,491**	**927,398**	**793,690**	**2,539,925**	**7,871,315**
Non-Tangible Capital Assets							
Rehabilitation/Replacement							
Corporate Management	3,001	2,812	1,856	10,816	2,425	20,078	40,988
Environmental Services	4,317	3,703	3,701	3,779	3,134	14,993	33,626
Transportation and Community Planning	6,495	4,550	3,280	4,105	3,280	3,900	25,610
Sub Total Rehabilitation/Replacement	**13,813**	**11,065**	**8,837**	**18,700**	**8,839**	**38,971**	**100,224**
Growth/Expansion							
Community and Health Services	170	80	-	-	-	-	250
Corporate Management	8,338	53	53	53	6,053	265	14,815
Environmental Services	20,046	13,340	14,379	12,569	11,380	71,708	143,422
Transportation and Community Planning	30,353	10,240	9,655	5,180	7,830	35,216	98,474
Sub Total Growth/Expansion	**58,907**	**23,713**	**24,087**	**17,802**	**25,263**	**107,189**	**256,961**
Enhancement/Improvement							
Corporate Management	960	300	300	300	300	1,500	3,660
Environmental Services	4,707	2,350	1,833	1,817	2,201	10,147	23,055
Sub Total Enhancement/Improvement	**5,667**	**2,650**	**2,133**	**2,117**	**2,501**	**11,647**	**26,715**
Total Non-Tangible Capital Assets	**78,387**	**37,428**	**35,057**	**38,619**	**36,603**	**157,807**	**383,900**
Total GROSS EXPENDITURES	**1,185,026**	**1,437,601**	**1,138,547**	**966,017**	**830,293**	**2,697,732**	**8,255,215**

Moody's Investors Service — Aaa

In its 2012 review, Moody's indicated "The Regional Municipality of York's Aaa debt rating reflects high reserve levels, prudent and far-sighted fiscal management and consistent reporting of positive operating outcomes. York's net direct and indirect debt measured 110.7% of total revenues at December 31, 2011. This level is expected to increase in the medium-term, reflecting the Region's need to expand infrastructure to meet the needs of the growing population. This high level of debt is offset by considerable liquidity: the municipality's cash and investments represent 77.3% of net debt at year's end 2011. This provides a measure of safety for debenture holders, supporting the Aaa rating. The rating also takes into consideration the Region's diversified and growing economy and continued strong revenue growth."

Standard & Poor's AAA/Stable

In its August 2012 review, Standard & Poor's noted:

- York Region has a highly diversified, dynamic economy that is well-integrated within the broader economy of the Greater Toronto Area
- The Region has very positive liquidity
- York Region has tended to post sound operating results despite sustained cost pressures due to rapid economic development
- York Region continues to have a high debt burden relative to those of other 'AAA' international and regional governments
- We believe York Region's need to install certain infrastructure (such as water mains) ahead of development exposes it to an element of economic risk

RESERVE MANAGEMENT

The establishment, maintenance and prudent management of reserves are important components of the Region's financial strategy. Reserve funds support a significant portion of the cost of capital infrastructure and play an instrumental role in offsetting unforeseen cost increases or revenue shortfalls during uncertain economic times.

Regional Council continues to take steps to improve the long-term financial sustainability of the Region by approving significant increases to asset replacement funding. For 2012, the budget included an additional $7.9 million, the equivalent of a one per cent tax increase, toward the capital asset replacement reserve. Council began this practice in 2007. It will ultimately reduce reliance on debt financing in the long-term and ensure funds are available for the replacement of the Region's infrastructure. These asset replacement reserves total $384.2 million at the end of 2012.

In accordance with policies approved by Council in 2008, the Region's 2012 operating surplus of $42 million was transferred to reserves as follows:

	$ (in millions)
Capital reserve fund	38.2
Social housing reserve fund	3.0
Working capital reserve	0.8
	42.0

FINANCIAL MANAGEMENT AND CONTROL

The financial management and control of York Region is largely governed through bylaws that prescribe purchasing, accounting, investment, risk management procedures and debt policies. Regional Council has sole authority to allocate funds through the approval of the operating and capital business plans and budgets.

The Region has established risk management programs and procedures to protect the Corporation's assets against the financial consequences of loss. They include transferring risk to vendors, conducting analysis of claims to introduce loss prevention/loss control techniques and conducting risk assessments of Regional projects and contracts. In addition, the Region purchases insurance to mitigate risk and reduces insurance costs by sharing in losses through a self-insurance program.

In addition, an Audit Services Branch exists within the Office of the CAO to assist Regional Council, the Audit Committee, senior management and all departments in the effective and efficient discharge of their responsibilities and achievement of their objectives. This service provides advice on managing and controlling risk, performs independent appraisals on control systems, and participates as an advisor in the identification of efficiencies and improvements in new and existing processes, programs and services.

ACCOUNTABILITY

With responsible and prudent fiscal policies, sustainable financial strategies and forward-looking financial planning processes, the Region strives to ensure programs and services continue to be delivered to the community in an effective manner.

The Region is committed to financial accountability, through initiatives to evaluate and report on performance. The Region is in compliance with the guidelines of the Municipal Performance Measurement Program (MPMP), a Ministry of Municipal Affairs and Housing program that requires municipalities to report on measures reflecting the efficiency and effectiveness of programs and services. In addition, the Region is a leading participant in the Ontario Municipal CAO's Benchmarking Initiative (OMBI), a project with a focus on identifying and sharing best practices of service delivery and quality standards in Ontario municipalities.

The Region continued its efforts in 2012 to focus on program results and service delivery commitments. Progress reporting for all Regional service areas has allowed the organization to better monitor business plan objectives and budgeted expenditures. The performance measurement program contributes to the Region's business planning system by:

- Monitoring key performance indicators to evaluate service delivery and provide input for resource allocation decisions at budget time
- Allocating costs to enable an evaluation of full cost of service provision
- Linking employee compensation to program delivery and performance
- Public reporting of service delivery outcomes, demonstrating to residents how their tax dollars are being managed

FINANCIAL STATEMENTS

The financial statements and related information contained in this report are the responsibility of the management of the municipal corporation and have been prepared in accordance with accounting policies and practices which conform to local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). Where the determination of assets and liabilities is dependent upon future events, amounts are based upon reasonably determined estimates, forecasts and sound judgments. Management is confident it has developed a system of internal controls that ensures the financial information presented in the financial statements is both accurate and reliable.

The consolidated financial statements are prepared using the full accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measured. Expenses are recognized as they are incurred and measured based upon receipt of goods or services and/or the creation of a legal obligation to pay.

The accounting function of the Corporation is the responsibility of the Regional Treasurer who ensures all corporate accounting records and reports conform to Council budgetary requirements, bylaws, policies, procedures, accounting principles and financial reporting requirements. York Region's financial statements, as well as the Financial Information Return (FIR) that is submitted to the Ministry of Municipal Affairs and Housing, are prepared on a basis consistent with PSAB standards.

The *Municipal Act* requires the Region to engage independent auditors to express an opinion as to whether the financial statements present the Region's financial position and operating results fairly in all material respects. In fulfilling this duty, the external auditors are provided full access to all Regional records and transactions and meet periodically with staff to address matters arising from the audit or from new policies and procedures introduced during the fiscal year.

The financial statements have been audited by the Region's external auditors, KPMG LLP, in accordance with Canadian Generally Accepted Auditing Standards, who have expressed an unqualified opinion that these statements fairly present the financial position of the Region as of December 31, 2012. Publication of these financial statements fulfils the Region's commitment to accountability.

GFOA CANADIAN AWARD FOR FINANCIAL REPORTING

For the 15th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting (CAnFR) to York Region for its annual financial report for the fiscal year ended December 31, 2011. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance to finance officials preparing these reports.

To be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments and address user needs. York Region management believes the 2012 report is reflective of the high standards associated with the CAnFR award and it will be submitted to GFOA for consideration once again this year.

GFOA DISTINGUISHED BUDGET PRESENTATION AWARD

Additionally, the Government Finance Officers Association of the United States and Canada presented York Region with its Distinguished Budget Presentation Award for the 2012 annual budget. The award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. This is the sixth consecutive year York Region has received this award.

The Distinguished Budget Presentation Award program is specifically designed to encourage a government unit to prepare and issue budget documents of the highest quality. High quality budget documents are essential if residents and others with an interest in a government's finances are to be full and informed participants in the budget process. Better budget documents contribute to better decision making and enhanced accountability.

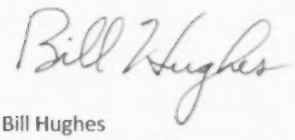
CONCLUSION

The financial management of a large and growing public sector organization requires professionalism and commitment from a broad spectrum of people.

To assist in conducting the various financial functions and transactions of the Region, professional services are provided to The Regional Municipality of York by the following companies:

Auditor:	KPMG LLP, Chartered Accountants
Banker:	TD Canada Trust
Fiscal Agents:	CIBC World Markets Inc. RBC Dominion Securities Inc. BMO Nesbitt Burns Inc. National Bank Financial Inc. Scotia Capital Inc.

In closing, I would like to express appreciation for the cooperation and support of Regional Council and staff within all departments in addressing the financial challenges of the past year. In addition, I would like to acknowledge the commitment and dedication of the Finance Department in providing accurate and timely financial information to Regional Council, Committees, departments and community stakeholders. We are committed to the highest standards of financial management and fiscal excellence at York Region.



Bill Hughes
Commissioner of Finance & Regional Treasurer
May 10, 2013

KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Regional Municipality of York

We have audited the consolidated financial statements of The Regional Municipality of York, which comprise the statement of financial position as at December 31, 2012, the statements of operations and accumulated surplus, change in net debt, and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian public sector accounting standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Regional Municipality of York as at December 31, 2012, the results of its operations and accumulated surplus, change in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 10, 2013
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

Financial Statements

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position

As at December 31, 2012

	2012	2011
	$	$
ASSETS		
Financial Assets		
Cash and cash equivalents (Note 3)	497,960,655	424,815,576
Accounts receivable (Note 4)	180,335,000	219,914,980
Investments (Note 3)	1,768,091,474	1,289,413,843
Debt amounts recoverable from		
Area municipalities (Notes 5 and 9a)	226,655,694	213,352,346
Total	2,673,042,823	2,147,496,745
LIABILITIES		
Accounts payable and accrued liabilities	526,973,246	434,004,304
Employee benefit obligations (Note 7)	123,832,297	113,043,141
Deferred revenue (Note 6)	122,477,227	89,412,228
Gross long-term liabilities (Note 5)	2,269,715,256	2,034,440,421
Retirement and sinking fund debentures (Note 5)	237,363,447	140,956,593
Deferred revenue-obligatory reserve funds (Note 6)	430,634,789	340,660,984
Total	3,710,996,262	3,152,517,671
Net Debt	(1,037,953,439)	(1,005,020,926)
Non-Financial Assets		
Tangible capital assets (Note 16)	5,397,301,685	4,876,551,331
Inventory	2,731,121	1,965,976
Prepaid expenses	6,947,504	12,192,905
Accumulated Surplus (Note 14)	4,369,026,871	3,885,689,286

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2012

	Budget (Unaudited)	2012	2011
	$	$	$
REVENUES			
Net taxation/user charges	1,117,801,000	1,045,033,613	1,000,023,022
Transfer payments (Note 17)	499,720,514	451,832,095	343,911,414
Development contributions	335,875,000	378,684,812	321,570,134
Fees and services	120,074,218	118,252,150	103,286,024
Interest	-	39,469,873	50,596,796
Other	25,985,747	44,676,328	17,999,220
Total Revenues	2,099,456,479	2,077,948,871	1,837,386,610
EXPENSES			
General government	120,561,825	112,352,166	118,963,998
Protection to persons and property	279,694,510	272,853,444	256,122,882
Transportation services	484,663,483	482,142,340	410,993,335
Environmental services	331,983,450	328,016,511	293,075,632
Health and emergency services	124,054,580	110,466,375	117,294,024
Community services	209,165,284	199,011,494	194,451,284
Social housing	94,924,364	82,318,431	91,153,143
Planning and development services	9,130,642	7,450,525	12,358,463
Total Expenses	1,654,178,138	1,594,611,286	1,494,412,761
Annual Surplus		483,337,585	342,973,849
Accumulated Surplus, Beginning of Year		3,885,689,286	3,542,715,437
Accumulated Surplus, End of Year		4,369,026,871	3,885,689,286

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Change in Net Debt

For the year ended December 31, 2012

	Budget (Unaudited)	2012	2011
	$	$	$
ANNUAL SURPLUS	445,278,341	483,337,585	342,973,849
Amortization of tangible capital assets	143,867,956	152,111,353	142,874,321
Proceeds on disposal of tangible capital assets	-	727,399	693,172
Change in inventory	-	(765,145)	166,811
Change in prepaid expenses	-	5,245,401	(5,889,886)
Loss on sale of tangible capital assets	-	3,018,375	9,141,937
Acquisition of tangible capital assets	(1,106,641,000)	(676,607,481)	(622,068,000)
Change in net debt	(517,494,703)	(32,932,513)	(132,107,796)
Net debt, Beginning of year	(1,005,020,926)	(1,005,020,926)	(872,913,130)
Net debt, End of year	(1,522,515,629)	(1,037,953,439)	(1,005,020,926)

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Cash Flows

For the year ended December 31, 2012

	2012	2011
	$	$
OPERATING		
Annual surplus	483,337,585	342,973,849
Items not involving cash:		
Amortization	152,111,353	142,874,321
Loss on sale of tangible capital assets	3,018,375	9,141,937
Changes in non-cash assets and liabilities:		
Accounts receivable	39,579,980	17,670,461
Accounts payable and accrued liabilities	92,968,942	(8,372,335)
Employee benefit obligations	10,789,156	8,357,672
Deferred revenue	33,064,999	38,650,323
Deferred revenue-obligatory reserve funds	89,973,805	(143,205,978)
Inventory	(765,145)	166,811
Prepaid expenses	5,245,401	(5,889,886)
Net change in cash and cash equivalents from operations	909,324,451	402,367,175
CAPITAL		
Acquisition of tangible capital assets	(676,607,481)	(622,068,000)
Proceeds on disposal of tangible capital assets	727,399	693,172
Net change in cash and cash equivalents from capital	(675,880,082)	(621,374,828)
INVESTING		
Net change in investments	(478,677,631)	(364,762,794)
FINANCING		
Long-term debt issued	405,867,822	559,773,048
Long-term debt repaid	(81,621,658)	(92,099,006)
Interest earned on own sinking funds	(5,867,823)	(3,661,146)
Net change in cash and cash equivalents from financing	318,378,341	464,012,896
Net change in cash and cash equivalents	73,145,079	(119,757,551)
Opening cash and cash equivalents	424,815,576	544,573,127
Closing cash and cash equivalents	497,960,655	424,815,576

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements

December 31, 2012

The Corporation of the Regional Municipality of York (the "Region") was incorporated as a municipality in 1971 by the Province of Ontario. The area municipalities within the regional boundaries include the towns of Aurora, East Gwillimbury, Georgina, Newmarket, Richmond Hill, Whitchurch-Stouffville, the Township of King, the City of Vaughan and the City of Markham.

1. ACCOUNTING POLICIES

The consolidated financial statements of the Regional Municipality of York are the representations of management prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

The focus of PSAB financial statements is on the financial position of the Region and the changes thereto. The Consolidated Statement of Financial Position reports the financial assets and liabilities, and the non financial assets and liabilities of the Region. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the amount by which all assets exceed all liabilities. An accumulated surplus indicates that the Region has net resources that can be used to provide future services and meet its obligations.

a) Basis of Consolidation

i) These consolidated financial statements reflect the assets, liabilities, revenues and expenses in the Operating Fund of all entities which are accountable to and controlled by the Region. They include the activities of all committees of Council, York Region Police Services Board, Housing York Inc. and York Region Rapid Transit Corporation (Rapidco). Inter-unit balances and transactions are eliminated from the consolidated financial statements.

ii) The financial activities of the sinking fund are disclosed separately in the sinking fund financial statements.

iii) Funds held in trust by the Region for the residents of Newmarket Health Centre and Maple Health Centre and their related operations are not included in the consolidated financial statements. The financial activity and position of the trust funds and donations received on behalf of the Centres are reported separately in the Residents' Trust Funds and Donation Account Statement of Financial Position, and Statement of Financial Activities.

b) Basis of Accounting

i) Full Accrual Basis of Accounting

The consolidated financial statements are prepared using the full accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

The annual cost of owning and using a capital asset (estimated amortization) is deducted from annual results. That is, a part of the cost of the asset is recognized in annual results in each of the periods of its useful life.

ii) Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 120 days or less after year end.

iii) Deferred Revenue-General

Funds received for specific purposes are accounted for as deferred revenue until the Region discharges the obligation which led to the receipt of the funds.

iv) Deferred Revenue-Obligatory Reserve Funds

Development Charges, collected under the authority of Sections 33 to 35 of the Development Charges Act 1997, are reported as Deferred Revenue in the Consolidated Statement of Financial Position in accordance with the recommendations of PSAB. Amounts applied to qualifying capital projects are recorded as revenues in the fiscal period in which the funds are expended on qualifying capital projects.

The Region receives federal gas tax revenues under a municipal funding agreement with the Association of Municipalities of Ontario for the transfer of the revenues. These funds, by their nature, are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period they are expended.

v) Government Grants

Government transfers are recognized in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. They consist of grants and subsidies received for various operating and capital programs.

vi) Investments

Investment income earned on surplus current fund and reserve funds (other than development charges) are reported as revenue in the period earned. Investment income on the development charge reserve funds is added to the fund balance and form part of the respective deferred revenue balances.

Investments are carried at the lower of cost and market value. Any discount or premium is amortized over the remaining term of the investments. When there has been a loss in value that is other than temporary decline in value, the respective investment is written down to recognize the loss.

vii) Pensions and Employee Benefits

The Region accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined benefit plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the Region's employ.

Other post-employment benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to Workers Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid. The cost of plan amendments is accounted for in the period they are adopted.

Where applicable, the Region has set aside reserve funds intended to fund these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under PSAB 3250 Retirement Benefits. Therefore, for the purpose of these financial statements, the plans are considered unfunded.

viii) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The segment information is provided by financial statement guideline per PSAB 2700. For additional information, see Note 15.

Certain allocation methodologies are employed in the preparation of the segmented financial information. Next taxation/user charges and other revenues have been allocated to the segment based upon the segments that generate the revenues. Transfer payments have been allocated to the segment based upon the purpose for which the transfers were made. Development contributions received were allocated to the segment for which the contribution was collected.

ix) Budget Figures

Regional Municipality of York's Council completes a review of its operating budget each year. The approved budget for 2012 is included in the budget figures presented in the Consolidated Statement of Operations. The budget as approved by Regional Council includes those expenses which are part of current tax levies and user charges.

x) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight line basis over their estimated useful lives in number of years as follows:

Land	Infinite
Land Improvements	20
Buildings	15-60
Leasehold Improvement	Lease Term
Water and Wastewater-Linear	60-100 by materials
Water and Wastewater-Discrete facilities	15-60 by asset components
Hardware and Software	3-7
Equipment and Machinery	3-30
Vehicles	3-18
Roads (Road surface/Structure)	15/45
Bridges (Deck/Understructure)	25/75
Culverts	60
Level Crossings	40
Intersections	15

xi) Use of Estimates

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

2. COST-SHARED CAPITAL PROJECTS

The Regional Municipality of York paid the Region of Peel and the City of Toronto $97.0 million in 2012 ($102.8 million in 2011) to cover the Region's portion of capital costs incurred to construct additional water and wastewater infrastructure. While the contributions were made under a cost-sharing arrangement, the Region believes that they possess the risks and rewards of ownership of these assets to the level of their contribution. These costs are recorded in Assets under Construction and are amortized over the period that the benefits are realized once the assets are in use.

3. INVESTMENTS

Included in cash and cash equivalents are short-term investments of $198,512,221 (2011 - $85,743,510) with a market value of $198,321,353 (2011 - $85,747,289).

Long-term investments of $1,768,091,474 (2011 - $1,289,413,843) have a market value of $1,811,049,822 (2011 - $1,338,119,448).

Cash and cash equivalents and long-term investments include $430,634,789 (2011 - $340,660,984) of restricted funds as required under legislation to fund obligatory reserve funds.

The yields on investments held range from 0.91% to 4.88% (0.80% to 4.88% in 2011).

4. ACCOUNTS RECEIVABLE

This amount is comprised of the following:

	2012 $	2011 $
Government of Canada	23,288,262	12,035,997
Government of Ontario	3,932,396	4,396,902
Other Municipalities	81,170,932	103,764,796
Others	72,030,757	99,817,249
	180,422,347	220,014,944
Less: Allowance for Doubtful Accounts	87,347	99,964
	180,335,000	219,914,980

5. LONG-TERM LIABILITIES

a) The balance for long-term liabilities reported on the Consolidated Statement of Financial Position is made up of the following items. Interest rates and maturity dates for the debts range from 2% to 8% and from January 2, 2013 to December 1, 2051.

The total gross amount of the long-term liabilities to be retired by sinking funds is $1,737,636,551 (2011 - $1,434,043,407). The amount of the sinking funds assets available to retire debt is $237,363,447 (2011 - $140,956,593).

	2012 $	2011 $
Total long-term liabilities incurred by the Municipality including those incurred on behalf of area municipalities and outstanding at the end of the year	2,187,287,149	1,948,027,063
Mortgages payable by Housing York Inc.	82,428,107	86,413,358
	2,269,715,256	2,034,440,421
Retirement and sinking fund debenture	237,363,447	140,956,593
Less: Recoverable from area municipalities	226,655,694	213,352,346
Net long-term liabilities at the end of the year	2,280,423,009	1,962,044,668

b) Net long-term liabilities are repayable as follows:

2013	$177,147,762
2014	166,613,601
2015	168,338,906
2016	116,285,026
2017	101,084,871
Thereafter	1,323,202,014
Net sinking fund debt repayable according to actuarial recommendations	227,750,829
	$2,280,423,009

Long-term liabilities are financed through a combination of development charges, water and sewer rates, and tax levy.

c) Charges for Net Long-term Liabilities

Total interest charges for the year for net long-term liabilities which are included in the Consolidated Statement of Operations are **$93,369,518** (2011 - $73,502,740).

6. DEFERRED REVENUES

Deferred revenues set aside for specific purposes by legislation, regulation, or agreement as at December 31, are composed of:

	Balance at December 31, 2011	Inflows	Transferred out	Balance at December 31, 2012
	$	$	$	$
Deferred capital grants	45,370,884	173,302,666	(163,829,036)	54,844,514
Security deposits and agreements	31,001,952	250,812,097	(225,843,237)	55,970,812
Other	13,039,392	5,414,536	(6,792,027)	11,661,901
Total deferred revenue-general	89,412,228	429,529,299	(396,464,300)	122,477,227
Development charges	310,475,943	445,847,657	(378,684,812)	377,638,788
Federal gas tax	30,185,041	28,767,001	(5,956,041)	52,996,001
Total obligatory reserve funds	340,660,984	474,614,658	(384,640,853)	430,634,789

7. EMPLOYEE BENEFITS

The amounts represent liabilities established for accrual accounting purposes expected to be settled in future periods. In some cases, reserves have been established to fund these amounts. In other cases, the liabilities are to be funded from future years' budgetary allocations. Net increase in the total amount is **$10,789,156**.

	2012	2011
	$	$
Post employment benefits (c)	50,668,627	45,919,089
Vested sick leave benefits (a)	25,080,048	21,394,356
Long-term disability claims (e)	20,963,480	20,823,131
Vacation payable	15,609,171	14,891,699
Workers' compensation obligations (d)	11,510,971	10,014,866
	123,832,297	113,043,141

Actuarial valuations:

The following table sets out the extrapolated results for each of the plans as at December 31, 2012.

	Post employment benefits $	Vested sick leave benefits $	Long term disability $	Workers' compensation $	2012 total $
Accrued benefit liability, beginning of year	45,919,089	21,394,356	20,823,131	10,014,866	98,151,442
Current service cost	3,162,003	3,676,039	3,328,305	2,709,680	12,876,027
Amortization of (gain) loss	511,408	1,572,689	(626,000)	365,299	1,823,396
Interest cost	2,309,485	1,854,923	686,714	609,507	5,460,629
Benefit payments	(1,233,358)	(3,417,959)	(3,248,670)	(2,188,381)	(10,088,368)
Accrued benefit liability, end of year	50,668,627	25,080,048	20,963,480	11,510,971	108,223,126

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimate. The following represents the more significant assumptions made:

	Post employment and sick leave	Long term disability	Workers' compensation
Expected inflation rate	2%	2%	2%
Expected level of salary increases	3%	3%	N/A
Interest discount rate	4%	4%	5%

Total employee benefit obligations amount to $123,832,297 (2011 - $113,043,141).

a) Liability for Vested Sick Leave Benefits

Regional Operations

Commencing in 2000, the accumulated sick leave plan was replaced by a Short-term Disability plan for employees in Regional Operations. Under the plan, employees with five or more years of service were given the option of receiving a cash payout of fifty percent of the balance in their sick leave bank as at December 31, 1999 or deferring payment until termination of employment with the Region. The estimated actuarial value of the liability of the accumulated days for employees who chose the deferral option is $1,103,376 (2011 - $1,275,490) at the end of the year. Employees who had less than five years of service at December 31, 1999 were given the option on the fifth anniversary of their hire date to either receive payment for the value of accumulated sick days as at December 31, 1999 or defer payment until termination of their employment with the Region.

A reserve has been established for the past service liability and is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2012 is $4,922,401 (2011 - $4,895,540).

Police Services

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment of one-half of the sick bank balance to a maximum of six months salary when they leave the municipality's employ.

The actuarial liability for the accumulated days to the extent that they have vested and could be taken in cash by an employee on termination amounted to $23,976,672 (2011 - $20,118,864). A reserve was established to provide for a portion of the Police Services past service liability and the balance at the end of the year is $18,514,677 (2011 - $16,340,644) and is included in accumulated surplus in the Consolidated Statement of Financial Position.

According to an independent actuarial valuation report dated November 28, 2012, the total estimated liability for both regional operations and police services is $25,080,048 (2011 - $21,394,356).

b) Pension Agreement

The Region contributes to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan on behalf of approximately 5,142 members of its staff. The plan is a defined benefit plan and specifies the amount of the retirement benefit to be received by the employees based on length of credited service and average earnings.

In 2012, employer contribution amounts to $40,928,585 (2011 - $34,312,887) and is included as an expense in the Consolidated Statement of Operations. Employee contributions also amount to $40,928,585 (2011 - $34,312,887).

The OMERS pension plan has a deficit of $9,924 million at December 31, 2012 based on actuarial valuation of plan assets. In response, OMERS has increased contributions for both employees and employers by 1% for 2012 and an additional 0.9% for 2013. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, additional increases in the contributions may be required.

c) Post Employment Benefits

Employees who retire under the OMERS pension plan at age fifty or greater with a minimum of twenty years of service with the Region, are entitled to continued coverage for extended health and dental benefits. Those retirees from age 65 to age 75 are eligible to a health care spending account of $2,000 per year.

According to an independent actuarial valuation report dated November 28, 2012 the total future cost associated with these benefits is $50,668,627 (2011 - $45,919,089) and is reported in the Consolidated Statement of Financial Position.

d) Workers' Compensation

Under the Workplace Safety and Insurance Act, the Region is a self-insured employer (Schedule II) for all of its employees.

According to an independent actuarial valuation dated July 20, 2011 the estimated liability for all claims incurred to December 31, 2012 is $11,510,971 (2011 - $10,014,866) and is reported in the Consolidated Statement of Financial Position. The unamortized actuarial loss as at December 31, 2012 is $2,190,917 (2011 - $1,040,060).

e) Long-Term Disability Self Funding Arrangement

In October 2002, the Region adopted a self-insured arrangement for its long-term disability benefit (LTD). Under this arrangement, the Region funds its own claims through a segregated reserve and contracts with an insurance carrier to adjudicate and administer all claims on an Administrative Services Only (ASO) basis. According to an independent actuarial valuation dated January 16, 2012 the estimated liability for claims incurred is $20,963,480 (2011 - $20,823,131) as at December 31, 2012 and is reported in the Consolidated Statement of Financial Position.

8. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

a) York-Toronto Water Supply Agreements

Under the terms of agreements with the City of Toronto, the Region is entitled to purchase water at rates established every year. Payments in respect of these agreements amounted to $21,654,880 (2011 - $23,358,285). Payments under these agreements are financed by area municipalities based on water consumption.

b) York-Peel Water Supply Agreement

In 2001, the Region entered into an inter-regional water servicing agreement with the Regional Municipality of Peel. Under the terms of the agreement, the Region is entitled to purchase water from Peel at a negotiated rate. York Region began purchasing water from the Region of Peel in late 2005. The agreement provides for a buy-in payment of $52.4 million, payable in three equal instalments of $17.46 million. The final instalment was paid in 2011. York Region is required to pay operating costs to the Region of Peel for water consumption based on the York Wholesale Rate, commencing in 2005, through to 2031 and beyond. The York Wholesale Rate includes a component to be contributed to a Capital Repair and Replacement Reserve. Payments under this agreement form part of Region's operating expenses and will be financed by the area municipalities based on water consumption.

c) Operating Leases

Under the terms of various operating lease agreements, future minimum payments for the next 5 years are approximately as follows:

Year	$
2013	8,565,000
2014	7,195,000
2015	5,880,000
2016	4,657,000
2017	3,654,000

d) York Rapid Transit Plan

In 2002, the Region entered into a public-private partnership with York Consortium 2002 to implement the York Rapid Transit Plan (YRTP). The YRTP was developed from the Region's Transportation Master Plan, which identified the need to implement a rapid network that would reduce the rate of traffic congestion and support economic and residential growth. The future works for the YRTP has been rebranded as VIVANext and includes the construction of the Yonge and Spadina Subway extensions, and also extension and conversion to Light Rail Transit. Implementation of the YRTP is estimated to cost $21.2 billion to 2031 and is contingent upon future funding agreements with provincial and federal governments.

e) Toronto-York Subway Extension Project

In 2007, the Region signed an agreement with the City of Toronto and the Toronto Transit Commission to design and construct an extension of the Spadina subway line that will extend from Downsview Station in northwest Toronto into York Region. The subway extension is a part of the Region's Transportation Master Plan and will support economic and residential growth.

The project cost is estimated to be $2.6 billion over 9 years and will be funded by contributions from the Federal Government, the Province of Ontario, the City of Toronto and York Region. The Region's estimated contribution is $351 million of which $50.4 million has been paid to the project this year.

f) York Region Hospitals Capital Funding

In 2009, Regional Council approved a memorandum of understanding (MOU) between the Region and York regional hospitals which provides direction for capital funding of the four regional hospitals from 2009 to 2031. Under the MOU, the Region provides funding for approved projects and their associated approved eligible costs. Total capital distributions to Markham Stouffville Hospital, Southlake Regional Health Centre, Vaughan Health Campus of Care and York Central Hospital Association amount to approximately $342 million over the period of the MOU.

9. CONTINGENT LIABILITIES

a) Long-term Liabilities

The Region is contingently liable for long-term liabilities for which the responsibility for the payment of principal and interest is recoverable from other municipalities.

b) Public Liability Insurance

The Region's public liability insurance limits are set at $50,000,000. Environmental impairment liability is fully self-insured by the Region. The Region has maintained the same self-insured retention (SIR) levels over the past few years. Most policies have an SIR of $100,000 per occurrence with the exception of Crime which has an SIR of $0 and Property and Boiler which have each have an SIR of $50,000 per occurrence.

The Region estimates that the liability as at December 31, 2012 for all outstanding public liability claims is, $5,351,214 (2011 - $6,569,486). The total reserve available for public liability and environmental impairment is $23,710,779 (2011 - $23,103,317).

c) Contingencies

The Region, in the course of its operations, is subject to claims, lawsuits and other contingencies. Accruals have been made in specific instances where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the Region does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its financial position.

10. LOCAL SERVICE REALIGNMENT COSTS

Annual Local Service Realignment costs for 2012 have been included as expenses in the Consolidated Statement of Operations based on billings from the Province for Social Assistance, an interim agreement with the Province for Social Housing payments, and unbilled amounts relating to 2012. This obligation is to be phased out next year.

11. PROVINCIAL OFFENCES ADMINISTRATION

The Region administers prosecutions and the collection of related fines and fees under the authority of the Provincial Offences Act ("POA"). The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences. Offenders may pay their fines at any court office in Ontario, at which time their receipt is recorded in the Integrated Courts Offences Network system ("ICON"). The Region recognizes fine revenue when the receipt of funds is recorded by ICON regardless of the location where payment is made.

The gross revenue is comprised primarily of fines levied under Part I, II and III (including delay penalties) for POA charges. The total revenue for 2012 amounts to $15,446,897 (2011 - $15,624,475) and the net loss amounts to $1,926,361 (2011 - $1,057,575). Balances arising from operation of the POA offices are consolidated with these financial statements.

12. CONTRIBUTION AGREEMENT WITH THE FEDERAL GOVERNMENT

The Region has a contribution agreement with Service Canada wherein the Region receives funding for the Homelessness Partnering Strategy (HPS) program to prevent and reduce homelessness across Canada. The Region, as the community entity, acts as a delivery agency on behalf of the federal government and works with community-based organizations to find local solutions for people who are homeless or at risk of becoming homeless. The federal funding received through Service Canada is used to complement and build on provincial and regional homelessness funding to ensure a network of support. In 2012, revenues from all sources totalled to $4,052,712 (2011 - $8,194,279). A review of the Payment Claim and Activity Reports shows that the eligible project costs amount to $185,754 (2011 - $344,375). The program is neither in a surplus nor deficit position at year end.

13. LIMITATION ON PROPERTY TAX INCREASES AND FUNDING FOR BUSINESS CLASSES UNDER THE MUNICIPAL ACT, 2001

The Municipal Act, 2001 (the "Act") has required that municipalities to limit (cap) any annual assessment related property tax increases on the Commercial, Industrial, and Multi-Residential property classes. The Act also enables municipalities to retain assessment related property decreases in order to fund the cost of capping.

Since 2005, York Region Council has approved the application of all municipal capping options available under section 329.1 of the Act to accelerate movement towards current value assessment (CVA) level taxes for affected properties. A summary of these options is presented below:

1. Assessment-related property tax increases are limited to an amount which is the greatest of 10% of the previous year's annualized capped taxes, or 5% of the previous year's annualized full CVA taxes.
2. Capped or clawed back properties that are within $250 of their full CVA taxes are moved to the CVA tax level in the current taxation year and are kept there for subsequent taxation years.
3. Eligible new construction/new-to-class properties are taxed at a minimum of 100% of their full CVA tax value for the 2009 and subsequent taxation years.
4. A property that reached its CVA tax level in the previous year is excluded from the capping program in the current and subsequent taxation years.
5. Properties that were in a capped or clawed back position in the previous year that, as a result of reassessment, would have crossed over in the current year (i.e. move from clawed back to capped, or from capped to clawed back) are kept at the CVA tax level in the current and subsequent taxation years.

The Region is also required by the Act to perform a "bankering" role for the local municipalities to ensure that they would have neither a surplus nor a shortfall as a result of this process. The Region will only transfer funds between area municipalities as part of the tax related adjustments and does not incur any direct financial costs to area municipalities. However, if there is a shortfall in the amount of property tax decreases available to fund the cost of capping protection in a particular property class, the Region and the local municipalities share the cost of the shortfall on a pro rata basis equal to the proportionate share of the property taxes levied.

14. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2012 $	2011 $
Surplus		
-Invested in tangible capital assets	3,242,465,265	2,839,265,734
-Other	(1,811,496)	7,117,291
	3,240,653,769	2,846,383,025
Reserves		
-Equipment/vehicle replacement	51,460,918	47,046,394
-Working capital	41,819,788	41,055,490
-Group benefits	2,472,905	2,347,024
-Vacation pay	833,239	801,237
-OMERS (Type 3)	94,604	94,604
Total Reserves	96,681,454	91,344,749
Reserve Funds		
-Capital reserve fund	219,797,402	249,309,379
-Facilities rehabilitation and replacement	194,384,540	144,184,193
-Roads infrastructure	125,747,553	120,917,963
-Social housing development	123,554,836	89,800,486
-Roads capital	57,760,160	56,234,034
-Solid waste management	51,494,010	39,237,430
-Tax stabilization	47,398,636	48,031,827
-Move Ontario	29,884,167	40,473,859
-Long-term disability	27,698,158	25,702,958
-Social assistance	26,146,128	25,340,928
-Insurance	23,710,779	23,103,317
-Sick leave	23,437,078	21,236,184
-Hospital financing	15,692,626	6,040,306
-Transit	15,468,003	23,188,496
-Workers' compensation schedule II	14,999,490	13,502,843
-Non-profit housing capital	12,965,404	11,659,207
-Regionally owned housing	12,580,478	12,097,300
-IT development	9,959,839	9,695,430
-Fiscal stabilization	8,677,065	-
-Innovation	4,219,010	4,056,970
-Land securement	3,011,580	2,114,456
-Provincial gas tax	1,595,505	1,604,051
-Provincial highways	1,175,953	1,131,069
-Computer software acquisition	1,175,024	1,735,907
-Fuel cost stabilization	1,083,207	93,238
-Seized funds	278,297	247,098
-Alternative community living	213,356	205,162
-Insurance claims and certificate system	10,689	11,355
-Capital reserve-water and sewer	(22,427,325)	(22,993,934)
Total Reserve Funds	1,031,691,648	947,961,512
Total	4,369,026,871	3,885,689,286

15. SEGMENT DISCLOSURE

York Region is a municipal government which provides a wide range of services to its residents that include general government, protection to persons and property, transportation, environmental, health and emergency services, community services, and planning and development services.

General Government
General government comprises of the Council, the Chair's Office, the Office of the Chief Administrative Officer, Corporate Services and Finance Departments. These divisions and branches supply administrative and financial leadership for the Regional Corporation.

Protection to persons and property
Protection to persons and property consists of the activities of Police Services Board and York Regional Police. Their mandate is to ensure the safety of the lives and property of citizens; prevent crime from occurring; detect offenders; and enforce the law.

Transportation services
This division operates and delivers regional infrastructure involving roadways, public transit, traffic systems, and bridges and culverts.

York Region Rapid Transit Corporation's principal activity is the design and delivery of York Region's rapid transit systems.

Environmental services
The department is responsible for water treatment and distribution, wastewater collection and treatment, and solid waste disposal and diversion. It also delivers infrastructure projects, both for new and expanded assets and major rehabilitation of existing assets.

Health and emergency services
It provides a variety of health related programs and services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. Staff members render programs such as land ambulance service, immunization, nutrition, mental health and health inspection.

Community services
Children's Services plans, manages and coordinates a Region-wide child care services. Long Term Care operates long-term care facilities for seniors. The Ontario Works and Ontario Disability Support Programs deliver a range of programs providing employment and financial assistance to residents in need.

Social housing
Social housing is responsible for administrating social housing providers, the rent supplement programs and managing a social housing waiting list.

Housing York Inc. is a non-profit housing corporation providing affordable rental units for its residents.

Planning and development services
This unit provides a long-term comprehensive approach to planning and development processes to ensure the efficient use of land and community infrastructure. Services include long-range capital planning, development review, building permits and inspection services.

	General government	Protection to persons and property	Transportation services	Environmental services	Health and emergency services
REVENUES					
Net taxation/user charges	847,094,365	-	-	197,939,248	-
Transfer payments	369,378	9,033,102	185,036,150	27,464,624	73,194,417
Development contributions	-	3,836,100	169,866,624	203,651,527	941,236
Fees and services	13,550,429	11,160,460	51,860,169	23,480,478	406,044
Interest	20,713,424	683,425	10,702,683	679,099	260,940
Other	2,128,428	1,673,624	13,727,358	25,635,591	-
	883,856,024	26,386,711	431,192,984	478,850,567	74,802,637
EXPENSES					
Salaries and benefits	49,892,657	232,645,550	46,750,922	34,908,744	90,055,328
Interest payments	127,823	3,209,912	8,985,480	75,687,753	272,951
Operating expenses	44,440,537	25,239,637	352,125,456	162,797,941	12,775,257
Government transfers	6,310,463	-	-	10,313,551	4,289,611
Amortization	11,580,686	11,758,345	74,280,482	44,308,522	3,073,228
	112,352,166	272,853,444	482,142,340	328,016,511	110,466,375
Annual Surplus (Deficit)	771,503,858	(246,466,733)	(50,949,356)	150,834,056	(35,663,738)

	Community services	Social housing	Planning and development services	Total 2012	Total 2011
REVENUES					
Net taxation/user charges	-	-	-	1,045,033,613	1,000,023,022
Transfer payments	132,816,297	23,533,736	384,391	451,832,095	343,911,414
Development contributions	283,723	-	105,602	378,684,812	321,570,134
Fees and services	1,648,805	16,105,280	40,485	118,252,150	103,286,024
Interest	1,015,362	5,414,940	-	39,469,873	50,596,796
Other	857,972	653,355	-	44,676,328	17,999,220
	136,622,159	45,707,311	530,478	2,077,948,871	1,837,386,610
EXPENSES					
Salaries and benefits	62,051,044	9,922,952	5,684,785	531,911,982	491,128,600
Interest payments	60,843	5,024,756	-	93,369,518	73,502,740
Operating expenses	68,485,493	55,110,790	1,707,911	722,683,022	672,909,028
Government transfers	67,013,786	6,608,000	-	94,535,411	113,998,072
Amortization	1,400,328	5,651,933	57,829	152,111,353	142,874,321
	199,011,494	82,318,431	7,450,525	1,594,611,286	1,494,412,761
Annual Surplus (Deficit)	(62,389,335)	(36,611,120)	(6,920,047)	483,337,585	342,973,849

16. TANGIBLE CAPITAL ASSETS

COST	Balance at December 31 2011	Additions	Disposals	Balance at December 31 2012
	$	$	$	$
Land	356,213,173	8,497,215	(14,835)	364,695,553
Land improvements	127,652,698	13,100,738	-	140,753,436
Buildings	1,363,707,680	51,195,347	-	1,414,903,027
Equipment and machinery	416,475,235	36,690,859	(504,775)	452,661,319
Vehicles	270,748,889	12,152,646	(7,835,566)	275,065,969
Roads infrastructure	1,266,472,032	48,600,804	(9,901,173)	1,305,171,663
Water/sewer infrastructure	1,023,848,904	100,001,209	(1,961,429)	1,121,888,684
Assets under construction	1,540,732,591	406,368,663	-	1,947,101,254
Total	6,365,851,202	676,607,481	(20,217,778)	7,022,240,905

ACCUMULATED AMORTIZATION	Balance at December 31 2011	Disposals	Amortization expenses	Balance at December 31 2012
	$	$	$	$
Land	-	-	-	-
Land improvements	59,850,499	-	6,636,921	66,487,420
Buildings	402,968,370	-	39,191,865	442,160,235
Equipment and machinery	221,464,659	(475,847)	30,214,848	251,203,660
Vehicles	93,458,805	(6,587,874)	21,944,806	108,815,737
Roads infrastructure	601,545,256	(8,896,456)	43,101,793	635,750,593
Water/sewer infrastructure	110,012,282	(511,827)	11,021,120	120,521,575
Total	1,489,299,871	(16,472,004)	152,111,353	1,624,939,220

	Net book value December 31 2011	Net book value December 31 2012
	$	$
Land	356,213,173	364,695,553
Land improvements	67,802,199	74,266,016
Buildings	960,739,310	972,742,792
Equipment and machinery	195,010,576	201,457,659
Vehicles	177,290,084	166,250,232
Roads infrastructure	664,926,776	669,421,070
Water/sewer infrastructure	913,836,622	1,001,367,109
Assets under construction	1,540,732,591	1,947,101,254
Total	4,876,551,331	5,397,301,685

17. TRANSFER PAYMENT REVENUE

	2012	2011
	$	$
Provincial grants		
Transit	175,548,100	64,009,579
Social assistance	62,489,827	61,569,948
Child care	46,795,183	44,039,594
Public health	45,877,270	43,935,962
Ambulance	27,298,365	25,235,768
Services for seniors	21,752,867	20,710,160
Housing	13,739,329	22,661,721
Police	9,033,102	7,818,993
Other	1,734,603	9,241,111
Roadways	303,333	(1,272,499)
Environmental services	240,000	2,276,242
	404,811,979	300,226,579
Federal grants		
Environmental services	27,224,624	2,166,736
Housing	9,794,407	15,692,492
Gas tax	5,956,041	17,887,868
Transit	2,925,345	2,729,865
Other	793,581	4,223,083
Roadways	303,333	191,911
Public health	18,782	16,378
Social assistance	4,003	776,502
	47,020,116	43,684,835
Total transfer payments	451,832,095	343,911,414

18. METROLINX PROJECT

Under an agreement signed with Metrolinx, the Region receives funds from Metrolinx to build assets that upon completion will be transferred to Metrolinx. The following chart summarizes the amounts spent on the project.

Included in revenue is **$118,359,834** received from Metrolinx for assets that are owned and controlled by Metrolinx. The corresponding expense amounts are recorded in Transportation Services expense.

The total commitment to this project over the life of the contract is **$1,755,000,000**.

	$
Spent prior to 2012	108,800,911
Spent in 2012	118,359,834
Total spent	227,160,745
Total commitment	1,755,000,000
Balance to be spent	1,527,839,255

19. COMPARATIVE FIGURES

Certain 2011 comparative figures have been reclassified to conform to the current presentation.

KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Regional Municipality of York

We have audited the financial statements of the sinking funds of The Regional Municipality of York, which comprise the statement of financial position as at December 31, 2012, the statement of financial activities and change in fund balance for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the sinking funds of The Regional Municipality of York as at December 31, 2012, the results of its operations and changes in its financial position for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 10, 2013
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Position

As at December 31, 2012

	2012	2011
	$	$
FINANCIAL ASSETS		
Investments – at amortized cost (Note 1)	237,363,447	140,956,593
Total Assets	237,363,447	140,956,593
LIABILITIES		
Actuarial requirement for retirement of the Sinking Fund debentures (Note 2)	237,206,766	140,307,012
Fund balance	156,681	649,581
Total Liabilities and Fund Position	237,363,447	140,956,593

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Activities and Change in Fund Balance

For the year ended December 31, 2012

	Budget (Unaudited)	2012	2011
	$	$	$
REVENUES			
Contributions from:			
Area Municipalities	6,954,386	6,954,386	5,860,300
Regional Corporation	82,810,843	82,810,843	54,327,011
Total contributions	89,765,229	89,765,229	60,187,311
Interest earned	6,634,414	6,641,625	4,237,746
Total revenues	96,399,643	96,406,854	64,425,057
EXPENSES			
Actuarial requirement for the year	(96,907,834)	(96,899,754)	(64,435,873)
Change in Fund Balance	(508,191)	(492,900)	(10,816)
Opening Fund Balance	649,581	649,581	660,397
Closing Fund Balance	141,390	156,681	649,581

The accompanying notes are an integral part of these Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Sinking Fund Financial Statements

December 31, 2012

The Regional Municipality of York's sinking fund is a separate fund maintained for the purpose of providing periodic repayments of all debts to be retired by means of sinking funds.

1. INVESTMENTS

   All investments are purchased with the intention of holding them until maturity. They are recorded at cost, price adjusted annually for amortization of discount or premium on a present value basis as determined at the time of purchase with the amount of such amortization included in the interest earned on the Statement of Financial Activities and Change in Fund Balance. The investments have a market value of $249,414,397 (2011 - $152,004,943).

2. ACTUARIAL REQUIREMENTS

   The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 3%, 4% or 5% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.

KPMG LLP
Chartered Accountants
Yonge Corporate Centre
4100 Yonge Street Suite 200
Toronto ON M2P 2H3
Canada

Telephone (416) 228-7000
Fax (416) 228-7123
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Regional Municipality of York

We have audited the financial statements of residents' trust funds and donation account of The Regional Municipality of York, which comprise the statement of financial position as at December 31, 2012 and the statement of financial activities for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian public sector accounting standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the funds held in trust and its donation account by The Regional Municipality of York as at December 31, 2012, the results of its operations and changes in its financial position for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

May 10, 2013
Toronto, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account

Statement of Financial Position

As at December 31, 2012

	Trust	Donation	2012	2011
	$	$	$	$
FINANCIAL ASSETS				
Cash	168,269	48,199	216,468	210,264
Residents' petty cash	5,500	-	5,500	6,026
Total Assets	173,769	48,199	221,968	216,290
Fund Balances	173,769	48,199	221,968	216,290

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account

Statement of Financial Activities

For the year ended December 31, 2012

	Trust	Donation	2012	2011
	$	$	$	$
Fund balances, beginning of year	161,714	54,576	216,290	191,148
Source of funds:				
Deposits on behalf of residents	392,675	1,475	394,150	415,017
Interest earned on deposits	-	2,110	2,110	4,314
	392,675	3,585	396,260	419,331
Use of funds:				
Withdrawals	(380,620)	(9,962)	(390,582)	(394,189)
Net activity	12,055	(6,377)	5,678	25,142
Fund balances, end of year	173,769	48,199	221,468	216,290

The accompanying notes are an integral part of these Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Residents' Trust Funds and Donation Account

Statement of Financial Position and Financial Activities

December 31, 2012

1. ACCOUNTING POLICIES

a) These financial statements reflect the financial activity and financial position of funds held in trust by the Regional Municipality of York (the 'Region') for residents of Newmarket Health Centre and Maple Health Centre, and funds donated to the facilities.

b) Funds held in trust and monies received by way of donation are invested by the Region on behalf of the residents. Interest is credited to the funds based on the average yield earned by the Region on its investments.

2. BASIS OF ACCOUNTING

a) Cash and investments are recorded at cost.

b) Deposits on behalf of residents are reported upon receipt and interest income is reported on the accrual basis of accounting. Withdrawals are reported in the period in which they are made.

Statistical Review

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2012	2011	2010	2009 (Restated)	2008 (Restated)
CONSOLIDATED FINANCIAL ACTIVITIES					
Analysis of Revenue					
Net taxation/user charges	1,045,034	1,000,023	945,172	904,652	853,119
Transfer payments	451,832	343,912	408,322	263,216	367,119
Development contributions	378,685	321,570	207,883	202,031	226,397
Fees and service charges	118,252	103,286	104,381	93,436	102,657
Other	84,146	68,596	85,591	87,659	115,788
	2,077,949	1,837,387	1,751,349	1,550,994	1,665,080
Analysis of Expenses by Object					
Salaries, wages and employee benefits	531,912	491,129	457,127	420,685	379,334
Debt servicing	93,370	73,503	70,631	64,464	52,001
Operating and general expenses	722,683	672,909	499,177	500,904	664,472
Amortization	94,535	142,874	123,635	129,935	128,048
Transfers to others	152,111	113,998	120,747	116,575	108,731
	1,594,611	1,494,413	1,271,317	1,232,563	1,332,586
Analysis of Expenses by Function					
General government	112,352	118,964	90,920	107,981	94,800
Protection to persons and property	272,853	256,123	241,098	221,093	206,894
Transportation services	482,142	410,993	276,083	259,217	279,802
Environmental services	328,017	293,076	241,927	227,349	368,257
Health and emergency services	110,466	117,294	101,559	93,937	86,431
Community services and housing	281,330	285,604	307,967	311,525	286,673
Planning and development services	7,451	12,359	11,763	11,461	9,729
	1,594,611	1,494,413	1,271,317	1,232,563	1,332,586
Annual Surplus	483,338	342,974	480,032	318,431	332,494
Accumulated Surplus	4,369,027	3,885,689	3,542,715	3,062,683	2,744,252
Net Debt	1,037,953	1,005,021	872,913	651,562	486,035

2008 and 2009 comparative figures have been restated to conform to the current presentation

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2012	2011	2010	2009	2008
OUTSTANDING OBLIGATIONS					
Debt Outstanding					
Total Long Term Liabilities	2,187,287	2,034,440	1,599,138	1,479,173	1,162,947
Overlapping Debt*	-226,656	-213,352	-180,346	-164,120	-142,142
Net Long Term Liabilities	1,960,631	1,821,088	1,418,792	1,315,053	1,020,805
Net Long Term Liabilities per capita	$1,768	$1,678	$1,336	$1,273	$1,010
Sinking Fund	211,151	122,474	79,240	42,226	28,175
Charges for Net Long Term Liabilities Recovered from:					
General Tax Rates	213,834	187,754	165,857	138,022	124,320
User Rates	39,272	38,068	37,030	34,107	34,533
Total	253,106	225,822	202,887	172,129	158,853
Debt charges as a % of Total Expenses	15.9%	15.1%	16.0%	14.0%	11.9%
Debt Limit Available for New Debt	105,257	103,154	86,140	88,538	101,551

Note: Some comparative figures have been reclassified to conform with 2012 presentation.

* Of area municipalities

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

	2012	2011	2010	2009	2008
Miscellaneous Information					
Continuous Full Time Employees	4,978	4,805	4,634	4,556	4,403
Building Permit Values ($ 000)	3,474,170	3,181,757	3,082,000	2,517,000	2,801,000
Housing Starts	10,570	8,398	7,138	6,343	9,184
New Residential Units/Building Permits	10,598	8,171	7,833	7,109	8,305
Area Land Base (Square Kilometres)	1,776	1,776	1,776	1,776	1,756
Average Monthly Social Assistance Case Load	6,132	6,009	5,852	5,339	4,535
Annual Police Calls for Service	267,847	282,859	265,533	242,491	239,948
Kilometres of Roads	3,523	3,472	3,455	3,428	3,399
Signalized Intersections	799	790	777	753	733
Annual Disposal of Residential Solid Waste (Metric Tonnes)	130,009	125,618	124,936	121,700	123,273
Annual Supply of Treated Water (thousands of cubic metres)	125,644	122,685	123,475	120,003	119,868
Annual Wastewater Flows (thousands of cubic metres)	123,343	120,481	121,816	115,028	114,186
Conventional Transit Ridership	22,156,781	19,784,179	19,395,721	18,314,618	18,846,645
Benchmark Information					
Maintenance & Operating Costs - Lane km (Winter)	$3,443	$4,465	$4,044	$3,737	$4,175
Maintenance & Operating Costs - Lane km (Non-Winter)	$5,327	$4,665	$4,755	$4,826	$4,239
Regional Administration Net Expenditures as a % of Tax Levy	1.0%	1.6%	1.7%	1.5%	1.5%
Demographics					
Population	1,108,600	1,085,600	1,062,000	1,032,600	1,012,000
Households	332,788	325,831	318,381	308,852	302,366
Unemployment rate	6.6%	6.9%	6.6%	7.7%	5.7%
Average household income	124,154	121,072	118,245	117,500	115,800

Note: Some prior year figures have been restated to ensure consistency and comparability.

Sources for the 5 Year Review include:

- Financial Statements, Reports and Financial Information Returns of The Regional Municipality of York, its Agencies and Boards, and Area Municipalities of York Region
- Ministry of Municipal Affairs and Housing
- Canada Mortgage and Housing Corporation
- Statistics Canada
- Regional Department Estimates

HOW TO CONTACT US

For information on York Region services and programs, please call:
905-895-1231 (operator assisted)
905-830-4444 (automated service)
1-877-464-9675 (toll free within Ontario only)

MAILING ADDRESS:

The Regional Municipality of York
17250 Yonge Street, Newmarket, ON L3Y 6Z1

EMAIL ADDRESS:

info@york.ca

YORK REGION WEBSITE:

www.york.ca

YORK REGION SENIOR MANAGEMENT

Chief Administrative Officer - Bruce Macgregor
Commissioner of Community and Health Services - Adelina Urbanski
Commissioner of Corporate Services - Jim Davidson
Commissioner of Environmental Services - Erin Mahoney
Commissioner of Finance and Regional Treasurer - Bill Hughes
Commissioner of Transportation Services - Kathleen Llewellyn-Thomas
Executive Director, Corporate and Strategic Planning - Dino Basso
Medical Officer of Health - Dr. Karim Kurji
Chief of York Regional Police - Eric Jolliffe

York Region

Printed on recycled stock. Printed in Canada.